



## **TinOne Resources Inc.**

**Consolidated Financial Statements**

**For the years ended June 30, 2024 and 2023**

(Expressed in Canadian dollars)

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF TINONE RESOURCES INC.

#### *Opinion*

We have audited the consolidated financial statements of TinOne Resources Inc and its subsidiaries (collectively the "Company"), which comprise:

- ◆ the consolidated statements of financial position as at June 30, 2024 and 2023;
- ◆ the consolidated statements of loss and comprehensive loss for the years then ended;
- ◆ the consolidated statements of cash flows for the years then ended;
- ◆ the consolidated statements of changes in shareholders' equity for the years then ended; and
- ◆ the notes to the consolidated financial statements, including material accounting policy information.

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

#### *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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$2,334,000 during the year ended June 30, 2024, and, as of that date, the Company's had an accumulated deficit of \$8,946,495. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

#### *Other Information*

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

#### VANCOUVER

1700-475 Howe St  
Vancouver, BC V6C 2B3  
T: 604 687 1231  
F: 604 688 4675

#### LANGLEY

600-19933 88 Ave  
Langley, BC V2Y 4K5  
T: 604 282 3600  
F: 604 357 1376

#### NANAIMO

201-1825 Bowen Rd  
Nanaimo, BC V9S 1H1  
T: 250 755 2111  
F: 250 984 0886

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information 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.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditors' 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 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 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.

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- ◆ 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 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 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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 Sukhjot Gill.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
October 28, 2024

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**TINONE RESOURCES INC.**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

	Note	June 30, 2024	June 30, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		494,357	574,735
Amounts receivable		32,211	22,716
Current portion of prepaid expenses	5	39,654	241,250
		<b>566,222</b>	838,701
Prepaid expenses	5	9,329	16,308
Security deposits on exploration and evaluation assets	6	78,527	137,226
Exploration and evaluation assets	6	4,349,712	4,857,129
Property and equipment		3,376	7,081
<b>Total assets</b>		<b>5,007,166</b>	5,856,445
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	630,632	238,024
Convertible debentures	7	545,742	-
<b>Total liabilities</b>		<b>1,176,374</b>	238,024
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8(b)	11,147,783	10,838,494
Reserves	8	1,593,967	1,468,550
Accumulated other comprehensive income (loss)		35,537	(76,128)
Deficit		(8,946,495)	(6,612,495)
<b>Total shareholders' equity</b>		<b>3,830,792</b>	5,618,421
<b>Total liabilities and shareholders' equity</b>		<b>5,007,166</b>	5,856,445

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Ota Hally"	/s/ "Chris Donaldson"
Director	Director

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

**TINONE RESOURCES INC.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended June 30,	
		2024	2023
		\$	\$
Bank charges		4,219	5,707
Depreciation		3,851	3,859
Directors' fees	9	82,500	64,518
Filing fees		54,973	85,237
Insurance		32,294	38,247
Management fees	9	332,000	417,000
Marketing expense		111,795	588,461
Office expenses	9	138,833	150,740
Professional fees		362,644	605,060
Property investigation expenses		12,797	11,082
Salaries, wages, and benefits	9	2,145	81,593
Share-based compensation	9	73,018	559,444
Travel		34,713	173,380
		<b>(1,245,782)</b>	<b>(2,784,328)</b>
<b>Other income (expense)</b>			
Accretion expense	7	(5,819)	(4,736)
Foreign exchange gain (loss)		13,866	(799)
Impairment of exploration and evaluation assets	6	(1,130,594)	-
Interest expense	7	(8,257)	-
Loss on extinguishment of debt	8(b)	(16,364)	-
<b>Loss before income tax recovery</b>		<b>(2,392,950)</b>	<b>(2,789,863)</b>
Income tax recovery	13	58,950	-
<b>Net Loss</b>		<b>(2,334,000)</b>	<b>(2,789,863)</b>
Currency translation differences		111,665	(76,622)
<b>Comprehensive loss</b>		<b>(2,222,335)</b>	<b>(2,866,485)</b>
<b>Net loss per share:</b>			
Basic and diluted		(0.26)	(0.36)
<b>Weighted average number of common shares:</b>			
Basic and diluted		8,712,669	7,676,780

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

**TINONE RESOURCES INC.**  
**Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Years ended June 30,	
	2024	2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the year	<b>(2,334,000)</b>	(2,789,863)
Adjustments for:		
Depreciation	3,851	3,859
Share-based compensation	73,018	559,444
Accretion expense	5,819	4,736
Unrealized foreign exchange	-	(64,936)
Impairment of exploration and evaluation assets	1,130,594	-
Interest expense	8,257	-
Income tax recovery	(58,950)	-
Loss on extinguishment of debt	16,364	-
Changes in non-cash working capital:		
Amounts receivable	6,177	57,503
Prepaid expenses	209,005	463,144
Accounts payable and accrued liabilities	435,493	34,985
<b>Cash used in operating activities</b>	<b>(504,372)</b>	(1,731,128)
<b>Investing activities:</b>		
Expenditures on exploration and evaluation assets	<b>(474,330)</b>	(2,377,524)
Payments of amounts owing on asset acquisition	-	(44,235)
Security deposits received (paid) on exploration and evaluation assets	21,001	(74,904)
Expenditures on property and equipment	-	(1,476)
<b>Cash used in investing activities</b>	<b>(453,329)</b>	(2,498,139)
<b>Financing activities:</b>		
Proceeds from private placements	153,000	2,838,399
Share issuance costs	(16,200)	(59,132)
Proceeds from exercise of replacement warrants	-	4,800
Proceeds from issuance of convertible debentures, net of transaction costs	739,140	-
<b>Cash provided by financing activities</b>	<b>875,940</b>	2,784,067
Effect of exchange rate on changes in cash	1,383	3,905
Change in cash	<b>(80,378)</b>	(1,441,295)
Cash, beginning of year	574,735	2,016,030
<b>Cash, end of year</b>	<b>494,357</b>	574,735
<b>Supplemental cash flow information:</b>		
Cash interest paid	-	-
Cash income tax paid	-	-
Expenditures on exploration and evaluation assets included in accounts payable and accrued liabilities	68,275	46,079
Finders' warrants issued	-	23,375
Common shares issued as repayment of amount owing on asset acquisition	-	100,000
Common shares issued for settlement of debt	76,364	-

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

**TINONE RESOURCES INC.**

**Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, June 30, 2022	5,640,398	8,134,120	729,413	494	(3,822,632)	5,041,395
Units issued in private placement	2,733,732	2,502,523	335,876	-	-	2,838,399
Share issuance costs	-	(82,507)	23,375	-	-	(59,132)
Shares issued for amounts owing on asset acquisition	100,000	100,000	-	-	-	100,000
Replacement warrants exercised	4,800	12,483	(7,683)	-	-	4,800
Shares issued on vesting of RSUs	68,750	171,875	(171,875)	-	-	-
Share-based compensation	-	-	559,444	-	-	559,444
Currency translation differences	-	-	-	(76,622)	-	(76,622)
Net loss for the year	-	-	-	-	(2,789,863)	(2,789,863)
Balance, June 30, 2023	8,547,680	10,838,494	1,468,550	(76,128)	(6,612,495)	5,618,421
Units issued in private placement	127,500	114,750	38,250	-	-	153,000
Unit issuance costs	-	(16,200)	-	-	-	(16,200)
Shares issued for settlement of debt	545,455	76,364	-	-	-	76,364
Shares issued on vesting of RSUs	53,750	134,375	(134,375)	-	-	-
Share-based compensation	-	-	73,018	-	-	73,018
Conversion feature of convertible debenture units issued	-	-	75,345	-	-	74,871
Warrants issued with issuance of convertible debenture units	-	-	73,179	-	-	73,179
Currency translation differences	-	-	-	111,665	-	111,665
Net loss for the year	-	-	-	-	(2,334,000)	(2,334,000)
<b>Balance, June 30, 2024</b>	<b>9,274,385</b>	<b>11,147,783</b>	<b>1,593,967</b>	<b>35,537</b>	<b>(8,946,495)</b>	<b>3,830,792</b>

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

## **TINONE RESOURCES INC.**

### **Notes to the Consolidated Financial Statements**

#### **For the years ended June 30, 2024 and 2023**

(Expressed in Canadian dollars, except where noted))

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

TinOne Resources Inc. (the “Company” or “TinOne”) was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on February 6, 2019. TinOne’s principal business activities are the acquisition and exploration of mineral property assets. The Company is in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production. The Company is listed on the TSX Venture Exchange (“TSXV”) under the symbol “TORC.V” and on the OTCQB Venture Market (“OTCQB”) under the symbol “TORCF”. The Company’s head office is located at 1723-595 Burrard Street, Vancouver, BC V7X 1J1.

These consolidated financial statements for the years ended June 30, 2024 and 2023 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. During the year ended June 30, 2024, the Company incurred net loss of \$2,334,000 (June 30, 2023 - \$2,789,863). As at June 30, 2024, the Company has not yet achieved profitable operations and has a deficit of \$8,946,495 (June 30, 2023 - \$6,612,495). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon its ability to raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

Effective March 11, 2024, the Company consolidated its common shares on a ten-to-one basis. As a result, all information relating to basic and diluted loss per share, issued, outstanding common shares, warrants, broker warrants, stock options, restricted share units (“RSUs”) and per share amounts in these financial statements have been restated retrospectively to reflect the share consolidation.

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

These financial statements were approved by the Board of directors and authorized for issuance on October 28, 2024.

### **b) Basis of presentation**

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

### **c) Functional and presentation currency**

The financial statements are presented in Canadian dollars (“CAD”). The functional currency of the Company and its subsidiaries depends on the currency of the primary economic environment in which a respective entity operates and listed in Note 2(d). References to “AUD” are to Australian dollars and references to “NZD” are to New Zealand dollars.

**TINONE RESOURCES INC.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended June 30, 2024 and 2023**  
(Expressed in Canadian dollars, except where noted))

**2. BASIS OF PREPARATION (continued)**

**d) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at June 30, 2024 is as follows:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage ownership</b>	<b>Functional currency</b>	<b>Principal activity</b>
TinOne Resources Subsidiary Inc.	Canada	100%	CAD	Mine operations
TinOne Resources Australia Pty Ltd.	Australia	100%	AUD	Mine operations
Gondwana Gold NZ Limited	New Zealand	100%	NZD	Mine operations

**3. MATERIAL ACCOUNTING POLICIES**

**a) Foreign exchange**

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the consolidated statement of financial position. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

The results and financial position of all the Corporation's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the consolidated statements of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transaction); and
- All resulting exchange differences are recognized as a separate component of shareholders' equity.

**b) Exploration and evaluation assets**

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized as incurred and deferred until management establishes technical feasibility and economic feasibility of a property. Option payments are capitalized. Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

When technical feasibility and commercial viability of a property is demonstrated, exploration and evaluation assets will be reclassified into mining property and development assets within property.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain in profit or loss.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **b) Exploration and evaluation assets (continued)**

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the greater of an asset's fair value less cost to sell and value in use. The estimated recoverable amount is determined on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash-generating unit level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present, and disclose any resulting impairment loss.

#### **c) Convertible debentures**

The convertible debentures were determined to be a compound instrument, comprising a liability component (debt obligation) and equity components (conversion option and warrants). In accordance International Accounting Standard 32 *Financial Instruments: Presentation*, the liability and equity portion representing the conversion option are presented separately. As the exercise prices of the convertible debentures are fixed in Canadian dollars for a fixed number of common shares, the conversion option is classified as residual equity.

The proceeds received on the issuance of units, comprised of convertible debentures and warrants, are first allocated to the liability component, which is measured at its fair value on initial recognition and the residual, if any, is allocated to reserves on a pro-rata basis based on their relative fair values at the date of issuance.

Upon exercise of the convertible debentures, the proportionate amount of the equity component converted is re-allocated from reserves into share capital. The liability component is accreted using the effective interest rate method over the term of the liability, such that the carrying amount of the financial liability will equal the principal balance at maturity.

#### **d) Loss per share**

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, where applicable, is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

#### **e) Income taxes**

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

#### **f) Financial instruments**

IFRS 9 *Financial Instruments* ("IFRS 9") addresses the classification, measurement, and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into three measurement categories: those measured at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### f) Financial instruments (continued)

The Company's financial instruments are classified as follows:

<b>Financial instruments</b>	<b>Classification</b>
Cash	Amortized cost
Security deposits on exploration and evaluation assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost

A financial asset classified as FVTPL is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value and changes in fair value are recognized in the statement of loss.

A financial asset measured at amortized cost is initially recognized at fair value less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

All financial liabilities are initially recorded at fair value and designated upon initial recognition as FVTPL or amortized cost.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

#### g) Share capital

Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity as share issuance costs, net of any tax effects. Share issuance costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs.

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to reserves for warrants.

#### h) Share-based compensation

Certain employees and directors of the Company receive a portion of their remuneration in the form of stock options and RSUs. The fair value of the stock options and RSUs, determined at the date of the grant, is charged to profit or loss, with an offsetting credit to reserves, over the vesting period. If and when the stock options are exercised, the applicable original amounts of reserves are transferred to issued capital.

Charges for stock options that are forfeited before vesting are reversed from reserves and credited to profit or loss. For those stock options that expire unexercised after vesting, the recorded value remains in reserves.

#### i) New accounting standards and interpretations

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

##### Disclosure of accounting policies - International Accounting Standards ("IAS") 1 and IFRS Practice Statement 2

The amendments to *IAS 1 Presentation of Financial Statements* and *IFRS Practice Statement 2 Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **i) New accounting standards and interpretations (continued)**

##### Definition of accounting estimates - amendments to IAS 8

The amendments to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

##### Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to *IAS 12 Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

### **4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **a) Critical accounting estimates**

##### Valuation of share-based compensation

The assumptions used in the calculation for the value of share-based compensation are inherently uncertain. The resulting value calculated is not necessarily the value that the holder of the equity compensation could receive in an arm's length transaction, given that there is no market for the options. Changes in these assumptions could materially affect the estimated fair values.

##### Discount rate

The Company has applied estimates with respect to the discount rate utilized in calculating the present value of future cash flows for the liability components of convertible debentures. Changes in these assumptions could materially affect the recorded amounts.

##### Impairment of exploration and evaluation assets

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating units' level in the year the new information becomes available. The assessment of impairment indicators, impairment tests, and recoverable value models have a degree of estimation and judgment which may differ in the future.

**TINONE RESOURCES INC.**

**Notes to the Consolidated Financial Statements**

**For the years ended June 30, 2024 and 2023**

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**4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)**

**b) Critical accounting judgments**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Going concern assessment

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its operating expenditures, meet its liabilities for the subsequent year, and to fund planned contractual exploration programs, involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The consideration of whether impairment indicators exist for exploration and evaluation assets

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The determination of the Company's CGU is subject to management's judgment. Significant judgment is also required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties, current and future metal prices, and market sentiment are all factors considered by the Company.

Functional currency

The Company applies judgment in assessing the functional currency of each entity consolidated in these financial statements. The functional currency of the Company and its subsidiaries is determined using the currency of the primary economic environment in which the entity receives funding for operations.

Compound financial instrument

The identification of liability and equity components of convertible debentures is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management.

**5. PREPAID EXPENSES**

As at June 30, 2024, prepaid expenses of \$48,983 (June 30, 2023 - \$257,558) are primarily comprised prepaid insurance and subscriptions. As at June 30, 2024, the non-current portion of prepaid expenses pertained to the amount that will be amortized beyond after June 30, 2025 was \$9,329 (June 30, 2023 - \$16,308).

**TINONE RESOURCES INC.**

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**6. EXPLORATION AND EVALUATION ASSETS**

Title to mineral 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 conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties are properly registered and in good standing.

A summary of the Company's exploration and evaluation assets is as follows:

<b>Project</b>	<b>Glen Innes, Tingha, and Emmaville</b>	<b>Aberfoyle, and Great Pyramid</b>	<b>Panama</b>	<b>Tin Hill</b>	<b>Rattler Range</b>	<b>Castle Carey/ Vickory Creek</b>	<b>Nevis River/ Teviot East/ Glenore</b>	<b>Total</b>
Metal / Location	Tin / Australia	Tin / Australia	Gold / Australia	Tin / Australia	Tin / Australia	Tin / Australia	Gold / New Zealand	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs:</b>								
Balance, June 30, 2022	25,000	449,009	28,065	10,880	-	-	-	512,954
Additions	-	-	-	-	100,000	-	-	100,000
Balance, June 30, 2023	25,000	449,009	28,065	10,880	100,000	-	-	612,954
Impairment	(25,000)	-	(28,065)	(10,880)	-	-	-	(63,945)
<b>Balance, June 30, 2024</b>	<b>-</b>	<b>449,009</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>549,009</b>
<b>Exploration costs:</b>								
Balance, June 30, 2022	110,863	1,434,038	627,292	4,802	-	-	11,803	2,188,798
Geological, drilling and field costs	75,025	1,850,815	47,236	6,742	36,134	3,065	-	2,019,017
Licenses, permits and rental	6,519	33,530	2,790	4,261	1,059	683	49,978	98,820
Currency translation differences	(1,987)	(53,420)	(4,640)	(288)	(830)	(84)	(1,211)	(62,460)
Balance, June 30, 2023	190,420	3,264,963	672,678	15,517	36,363	3,664	60,570	4,244,175
Geological, drilling and field costs	9,876	340,634	-	1,510	10,916	34,085	994	398,015
Licenses, permits and rental	29,717	20,318	-	11,666	-	870	35,940	98,511
Impairment	(231,990)	-	(687,153)	(28,814)	(1,509)	(20,077)	(97,106)	(1,066,649)
Currency translation differences	1,977	104,972	14,475	121	4,957	547	(398)	126,651
<b>Balance, June 30, 2024</b>	<b>-</b>	<b>3,730,887</b>	<b>-</b>	<b>-</b>	<b>50,727</b>	<b>19,089</b>	<b>-</b>	<b>3,800,703</b>
<b>Carrying value:</b>								
Balance, June 30, 2023	215,420	3,713,972	700,743	26,397	136,363	3,664	60,570	4,857,129
<b>Balance, June 30, 2024</b>	<b>-</b>	<b>4,179,896</b>	<b>-</b>	<b>-</b>	<b>150,727</b>	<b>19,089</b>	<b>-</b>	<b>4,349,712</b>

## **6. EXPLORATION AND EVALUATION ASSETS (continued)**

### **Projects located in Australia:**

#### **a) Glen Innes, Tingha, and Emmaville Projects (Tenements EL8902, EL8913, and EL8903)**

On June 29, 2018, the Company entered into an asset purchase agreement with directors of the Company, whereby the Company acquired 100% title to three mineral claim exploration tenements located in the areas of Glen Innes, New South Wales ("NSW"), Australia, Tingha, NSW, Australia, and Emmaville, NSW, Australia. As consideration, the Company issued 500,000 common shares at a fair value of \$25,000. EL8902 and EL8903 are valid until October 21, 2026. EL8913 is valid until November 8, 2026.

The three-year renewal fee estimate for EL8902 is AUD \$4,925, for EL8913 is AUD \$4,100, and for EL8903 is AUD \$3,838.

Security deposits of \$98 (AUD \$100) and \$28,722 (AUD \$30,000) were paid in November 2020 and October 2019, respectively. The security deposits are held with the NSW Government Planning Environment Department, for indemnification of site restoration of the claims comprising the tenements.

During the year ended June 30, 2024, management made a strategic decision to not pursue the project further and concluded that the project was fully impaired. The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$256,990 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

#### **b) Aberfoyle and Great Pyramid Projects (Tenements EL27 2004 and RL2 2009)**

On October 17, 2019, as last amended on June 3, 2020, the Company entered into an agreement (the "Tenement Sale Agreement") to purchase tenements EL27 2004 and RL2 2009. The Company paid \$89,220 (AUD \$100,000) for the initial payment per the Tenement Sale Agreement and initially recorded amount owing on asset acquisition of \$359,789 which was the fair value of future payments of AUD \$600,000 discounted at a rate of 16%. The remaining commitments were accreted over the term of the Tenement Sale Agreement. During the year ended June 30, 2024, the Company recorded \$nil (2023 - \$4,736) in accretion expense.

The Company paid in aggregate \$276,167 (AUD \$300,000) and issued shares with an aggregate fair value of \$361,040 (AUD \$400,000) as consideration for the tenements. Tenements EL27 2004 and RL2 2009 are subject to an underlying 3.75% net smelter royalty ("NSR"). EL27 2004 and RL2 2009 are valid until November 26, 2025 and August 01, 2026, respectively.

Security deposits of \$98 (AUD \$100), \$24,490 (AUD \$29,000), and \$4,384 (AUD \$5,000) were paid in November 2020, March 2020, and October 2022, respectively. The security deposits are held with the Tasmanian Government Department of State Growth for indemnification of site restoration of the claims comprising the tenements.

#### **c) Panama Project (Tenement EL4 2018)**

On June 7, 2020, the Company entered into an earn-in option agreement with three individuals, the Panama Partners, to acquire up to a 100% beneficial interest in a mining tenement located in Golconda, Tasmania, Australia. Upon execution of the agreement, the Company issued 37,420 common shares at a fair value of \$28,065 (AUD \$30,000) as acquisition costs.

During the year ended June 30, 2024, management made a strategic decision to not pursue the project further and concluded that the project was fully impaired. The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$715,218 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

#### **d) Tin Hill Project (Tenement ELA 6216 / EL 9347)**

On December 29, 2021, pursuant to an exploration license application filed with the government of NSW (ELA 6216), the Company made a payment of \$20,341 (AUD \$21,500), for rent, levy, and security on the property (the "Tin Hill" property). Of the \$20,341, \$10,880 (AUD \$11,500) was recognized as exploration and evaluation assets and \$9,461 (AUD \$10,000) was recognized as security deposits. On January 27, 2022, the license application was approved, and the Company was issued an exploration license (EL 9347) that expires on January 27, 2026.

During the year ended June 30, 2024, management made a strategic decision to not pursue the project further and concluded that the project was fully impaired. The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$39,694 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

**e) Rattler Range Project (Tenement EL10 2019 / ELC36 2022 / EL39 2022)**

On November 23, 2022, the Company acquired a 100% interest in the Rattler Range tin project in northeastern Tasmania, Australia, through the issuance of 100,000 common shares at a fair value of \$100,000. In addition, the Company granted the vendor a 2% NSR over the project. The Company has the right, at any time upon notice being given to the NSR holder, to repurchase one-half of the NSR for \$1,000,000 in cash. EL10 2019 is valid until June 29, 2025.

During the year ended June 30, 2024, the Company applied for a refund of the unused security deposits paid to the Tasmanian Department of State Growth for indemnification of site restoration of the claims comprising Tenement ELC36 2022 and Tenement EL39 2022 of \$26,481 (AUD\$30,000). The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$1,509 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

**f) Castle Carey / Vickory Creek Project (Tenement EL13 2022 / EL14 2022)**

On December 16, 2022, the Company's exploration license application for tenements EL13 2022 and EL14 2022 was granted for a term of five years. For the years ended December 15, 2023 and 2024, the Company must make minimum expenditures of AUD \$57,000 for EL13 2022 and AUD \$75,000 for EL14 2022 per year. EL13 2022 is valid until December 15, 2027.

During the year ended June 30, 2024, the Company incurred geological expenditures of \$16,245 (AUD \$18,289) (year ended June 30, 2023 - \$1,533 (AUD \$1,700)) for tenement ELC13 2022.

During the year ended June 30, 2024, the Company incurred geological expenditures of \$17,839 (AUD \$20,083) (year ended June 30, 2023 - \$1,532 (AUD \$1,700)) for tenement ELC14 2022.

Security deposits of \$18,151 (AUD \$20,000) were paid in July 2022 and August 2022. The security deposits are held with the Tasmanian Government Department of State Growth for indemnification of site restoration of the claims comprising the tenements. During the year ended June 30, 2024, the Company received refund of unused security deposit of \$8,827 (AUD\$10,000) on Tenement ELC14 2022 and recorded an impairment of exploration and evaluation assets of \$20,077 (2023 - \$nil).

**Projects located in New Zealand:**

**g) Nevis River Project (Tenement 60718)**

On May 13, 2022, the Company was granted a mineral prospecting permit to Nevis River in the Otago region which expires on May 12, 2024. During the year ended June 30, 2024, the Company recognized a pro-rated portion of the annual permit fees of \$7,928 (AUD \$8,925) (year ended June 30, 2023 - \$10,525 (AUD \$11,675)).

In addition to annual permit fees, the Company pays monthly fees of AUD \$1,013 for operational oversight. During the year ended June 30, 2024, the Company paid operational oversight fees of \$9,882 (AUD \$11,125) (year ended June 30, 2023 - \$10,029 (AUD \$11,125)).

During the year ended June 30, 2024, management made a strategic decision to not pursue the project further and concluded that the project was fully impaired. The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$37,586 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

**h) Teviot East Project (Tenement 60720)**

On May 13, 2022, the Company was granted a mineral prospecting permit to Teviot East in Otago which expires on May 12, 2024. During the year ended June 30, 2024, the Company recognized a pro-rated portion of the annual permit fees of \$15,263 (AUD \$17,183) (year ended June 30, 2023 - \$17,569 (AUD \$19,489)).

In addition to annual permit fees, the Company pays monthly fees of AUD \$1,013 for operational oversight. During the year ended June 30, 2024, the Company paid operational oversight fees of \$9,882 (AUD \$11,125) (year ended June 30, 2023 - \$10,942 (AUD \$12,138)).

During the year ended June 30, 2024, management made a strategic decision to not pursue the project further and concluded that the project was fully impaired. The Company has recorded an impairment of exploration and evaluation assets during the year ended June 30, 2024 of \$59,520 (2023 - \$nil) measured in accordance with level 3 of the fair value hierarchy.

## **7. CONVERTIBLE DEBENTURES**

On May 16, 2024 and June 11, 2024, the Company closed two tranches of a non-brokered, arm's length private placement of aggregate 750 units at \$1,000 per unit for gross proceeds of \$611,000 and \$139,000 respectively. Each unit consists of one unsecured convertible debenture of the Company with a principal amount of \$1,000 and 6,896 warrants. The convertible debentures bears interest at a rate of 10% per annum. The interest obligation may be settled either in cash or in common shares of the Company at the Company's option. The debentures have a term of three years. The principal amount of each debenture is convertible into common shares of the Company at the option of the holder at any time prior to maturity at a conversion price of \$0.145 per share. Each warrant entitles the holder thereof to acquire one common share of the Company for a period of three years from the date of issuance at an exercise price of \$0.16 per share. In connection with the private placement, the Company paid cash finders' fees of \$10,860.

The fair value of the liability component was determined using the rate of interest that would apply to an identical financial instrument without the conversion option. As a result, the total gross proceeds of \$750,000 were allocated as follows: \$531,666 to the liability component, \$104,582 to the equity component representing the conversion feature, and \$102,892 to warrants. In relation to the recognition of the convertible debentures, the Company recognized a deferred tax recovery of \$58,950 pursuant to IAS 12 - *Income taxes*. As a result, the equity component representing the conversion feature was adjusted to \$75,345 and the equity component representing warrants was adjusted to \$73,179.

During the year ended June 30, 2024, the Company recorded an accretion expense of \$5,819 (2023 - \$nil) and an interest expense of \$8,257 (2023 - \$nil) on the convertible debentures.

## **8. SHARE CAPITAL**

Effective March 11, 2024, the Company consolidated its common shares on a ten-to-one basis. As a result, all information relating to basic and diluted loss per share, issued, outstanding common shares, warrants, broker warrants, stock options, RSUs, and per share amounts in these financial statements have been restated retrospectively to reflect the share consolidation.

### **a) Authorized share capital**

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

### **b) Issued share capital**

During the year ended June 30, 2024, the Company had the following share capital transactions:

- On July 14, 2023, the Company closed the third and final tranche of a non-brokered private placement of 127,500 units at \$1.20 per unit for gross proceeds of \$153,000. Each unit comprises one common share and one-half warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$2.50 and expires on July 14, 2025. Proceeds were allocated using the residual value method. As a result, \$114,750 was allocated to share capital and \$38,250 was allocated to reserves. In connection with the private placement, the Company paid cash unit issuance costs of \$16,200.
- On June 4, 2024, the Company settled debt in the amount of \$60,000 by issuing 545,455 common shares at \$0.14 per share. As a result, the Company recorded loss on settlement of debt of \$16,364.
- On June 26, 2024, the Company issued an aggregate of 53,750 common shares following the vesting of 53,750 restricted share units. As a result, \$134,375 was transferred from reserves to share capital. During the year ended June 30, 2024, 15,000 RSUs were forfeited following the termination of certain consultants (Note 8(e)).

**8. SHARE CAPITAL (continued)**

**b) Issued share capital (continued)**

During the year ended June 30, 2023, the Company had the following share capital transactions:

- On July 11, 2022, the Company issued 4,800 common shares pursuant to the exercise of 4,800 replacement warrants for gross proceeds of \$4,800. As a result, \$7,683 was transferred from reserves to share capital.
- On August 22, 2022, the Company completed a private placement of 2,210,400 units at \$1.00 per unit for gross proceeds of \$2,210,400. The private placement closed in two tranches of 2,115,400 units on August 15, 2022 and 95,000 units on August 23, 2022. Each unit comprises one common share and one warrant entitling the holder to purchase one common share of the Company at an exercise price of \$2.00 for a period of 36 months following the closing date of the respective tranche. Proceeds were allocated using the residual value method; as a result, \$1,888,340 was allocated to share capital and \$322,060 was allocated to reserves. In connection with the private placement, the Company paid share issuance costs of \$54,570 in cash and issued 46,200 finders' warrants with a fair value of \$21,249. Each finders' warrant entitles the holder to purchase one common share of the Company at an exercise price of \$2.00 for a period of 36 months following the closing date of the private placement.
- On November 23, 2022, pursuant to the acquisition of interest in the Rattler Range tin project (Note 6(e)), the Company issued 100,000 common shares with a total fair value of \$100,000. The shares were subject to a hold period which expired February 24, 2023.
- On June 2, 2023, the Company closed the first tranche of the non-brokered private placement of 247,017 units at \$1.20 per unit for gross proceeds of \$296,420. Each unit consisted of one common share and one-half common share purchase warrant; each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$2.50 and will expire on June 2, 2025. The Company paid cash finder's fees of \$4,562 and issued 3,801 finders warrants with a fair value of \$2,126. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of \$2.50 and will expire on June 2, 2025. Proceeds were allocated using the residual method and as a result, \$296,420 was allocated to share capital and \$nil was allocated to reserves.
- On June 26, 2023, the Company closed the second tranche of the non-brokered private placement of 276,315 units at \$1.20 per unit for gross proceeds of \$331,579. Each unit comprises one common share and one-half common share purchase warrant; each whole purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$2.50 and will expire on June 26, 2025. Proceeds were allocated using the residual value method; as a result, \$317,763 was allocated to share capital and \$13,816 was allocated to reserves.
- During the year ended June 30, 2023, the Company issued an aggregate of 68,750 common shares following the vesting of 68,750 restricted share units. As a result, \$171,875 was transferred from reserves to share capital.

**c) Escrow shares**

As at June 30, 2024, the Company had 311,000 (June 30, 2023 - 933,000) common shares subject to escrow. Under the escrow agreement, 10% of the escrowed shares were released from escrow on the issuance of the final exchange bulletin confirming the completion of the amalgamation agreement during December 2021 by the TSXV, and 15% will be released every six months thereafter.

On December 31, 2024, the remaining 311,000 shares will be released from escrow.

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**8. SHARE CAPITAL (continued)**

**d) Stock options**

A summary of the Company's stock option activity is as follows:

	Number of Stock options	Weighted average exercise price
	#	\$
Balance, June 30, 2022	562,500	2.65
Granted	219,000	1.00
Balance, June 30, 2023	781,500	2.19
Forfeited	(239,800)	2.33
<b>Balance, June 30, 2024</b>	<b>541,700</b>	<b>2.13</b>

On August 30, 2022, the Company granted 219,000 stock options to certain directors and consultants of the Company. These stock options have an exercise price of \$1.00, an expiry date of August 30, 2027, and vest over a period of 24 months with 20% vested upon the date of grant and 20% every six months thereafter.

During the year ended June 30, 2024, 239,800 stock options were forfeited (year ended June 30, 2023 - nil) following the termination of certain consultants and officers. As a result, during the year ended June 30, 2024, the Company recognized a share-based compensation recovery of \$35,880 (2023 - \$nil) for the forfeited options.

During the year ended June 30, 2024, the Company recognized net share-based compensation of \$39,747 (2023 - \$350,919) relating to the vesting and forfeiture of stock options.

A summary of the Company's stock options outstanding and exercisable as at June 30, 2024 is as follows:

Expiry date	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
February 1, 2026	195,000	195,000	2.50	1.59
January 19, 2027	160,000	160,000	2.80	2.56
March 16, 2027	17,500	17,500	2.70	2.71
August 30, 2027	169,200	137,200	1.00	3.17
	<b>541,700</b>	<b>509,700</b>	<b>2.13</b>	<b>2.40</b>

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Share price	N/A	\$1.00
Exercise price	N/A	\$1.00
Risk-free interest rate	N/A	3.32%
Expected life	N/A	5.00 years
Expected volatility	N/A	100.00%
Expected annual dividend yield	N/A	0.00%

The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

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**8. SHARE CAPITAL (continued)**

**e) Restricted share units**

On April 26, 2022, the Company granted 137,500 RSUs to certain recently appointed directors, advisors, and consultants of the Company. The RSUs vest in two equal annual instalments commencing on the first anniversary of the grant date.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average issue price
	#	\$
Balance, June 30, 2022	137,500	2.50
Converted to common shares	(68,750)	2.50
Balance, June 30, 2023	68,750	2.50
Converted to common shares	(53,750)	2.50
Forfeited	(15,000)	2.50
<b>Balance, June 30, 2024</b>	<b>-</b>	<b>-</b>

On June 26, 2024, the Company issued 53,750 common shares following the vesting of 53,750 RSUs.

During the year ended June 30, 2024, 15,000 RSUs were forfeited (year ended June 30, 2023 - nil) following the termination of certain consultants. As a result, during the year ended June 30, 2024, the Company recognized a share-based compensation recovery of \$35,000 (2023 - \$nil) for the forfeited RSUs.

During the year ended June 30, 2024, the Company recognized net share-based compensation of \$33,271 (2023 - \$208,525) relating to the vesting and forfeiture of the RSUs.

**f) Warrants**

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2022	87,580	2.42
Issued	2,522,067	2.05
Exercised	(4,800)	1.00
Expired	(20)	1.00
Balance, June 30, 2023	2,604,827	2.07
Issued	5,235,750	1.61
Expired	(82,760)	2.50
<b>Balance, June 30, 2024</b>	<b>7,757,817</b>	<b>1.75</b>

On August 15, 2022, in connection with a private placement, the Company issued 2,115,400 warrants with an exercise price of \$2.00 per share and an expiry date of August 15, 2025.

On August 22, 2022, in connection with a private placement, the Company issued 95,000 warrants with an exercise price of \$2.00 per share and an expiry date of August 23, 2025. In connection with the closing of the private placement, the Company issued 46,200 finders' warrants with an exercise price of \$2.00 per share and an expiry date of August 23, 2025. The fair value of the finders' warrants was \$21,249 and was recorded as share issuance costs.

On June 2, 2023, in connection with a private placement, the Company issued 123,508 warrants with an exercise price of \$2.50 per share and an expiry date of June 2, 2025. In connection with the closing of the private placement, the Company issued 3,801 finders' warrants with an exercise price of \$2.50 per share and an expiry date of June 2, 2025. The fair value of the finders' warrants was \$2,126 and was recorded as share issuance costs.

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**8. SHARE CAPITAL (continued)**

**f) Warrants (continued)**

On June 26, 2023, in connection with a private placement, the Company issued 138,158 warrants with an exercise price of \$2.50 per share and an expiry date of June 26, 2025.

On July 14, 2023, in connection with a private placement, the Company issued 63,750 warrants with an exercise price of \$2.50 per share and an expiry date of July 14, 2025.

On May 16, 2024, in connection with a private placement, the Company issued 4,213,456 warrants with an exercise price of \$1.60 per share and an expiry date of May 16, 2027.

On June 11, 2024, in connection with a private placement, the Company issued 958,544 warrants with an exercise price of \$1.60 per share and an expiry date of June 11, 2027.

During the year ended June 30, 2024, 82,760 warrants with a weighted average exercise price of \$2.50 expired unexercised.

During the years ended June 30, 2024 and 2023, the weighted average share price on the date of exercise of the warrants was \$nil and \$1.60 per share, respectively.

A summary of the Company's warrants outstanding as at June 30, 2024 is as follows:

<b>Date of Expiry</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>\$</b>	<b>Years</b>
June 2, 2025	127,309	2.50	0.92
June 26, 2025	138,158	2.50	0.99
July 14, 2025	63,750	2.50	1.04
August 15, 2025	2,115,400	2.00	1.13
August 23, 2025	141,200	2.00	1.15
May 16, 2027	4,213,456	0.16	2.88
June 11, 2027	958,544	0.16	2.95
	<b>7,757,817</b>	<b>0.79</b>	<b>2.30</b>

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for warrants issued during the years ended June 30, 2024 and 2023 is as follows:

	<b>2024</b>	<b>2023</b>
Share price	<b>\$0.17</b>	\$1.10
Exercise price	<b>\$0.19</b>	\$2.30
Risk-free interest rate	<b>4.01%</b>	3.44%
Expected life	<b>2.99 years</b>	2.92 years
Expected volatility	<b>196.69%</b>	100.00%
Expected annual dividend yield	<b>0.00%</b>	0.00%

The risk-free rate of periods within the expected life of the warrants is based on the Canadian government bond rate. The annualized volatility assumptions are based on the historical results of benchmark companies.

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**9. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's transactions with key management personnel is as follows:

	Years ended June 30,	
	2024	2023
	\$	\$
Directors' fees	<b>82,500</b>	64,518
Management fees	<b>332,000</b>	417,000
Office expenses	<b>74,184</b>	84,000
Salaries, wages, and benefits	<b>1,902</b>	70,000
Share-based compensation	<b>66,084</b>	316,853
	<b>556,670</b>	952,371

During the year ended June 30, 2024, 132,300 stock options were forfeited (year ended June 30, 2023 - nil) following the termination of certain key management personnel.

Included in accounts payable and accrued liabilities as at June 30, 2024 is \$443,204 (June 30, 2023 - \$127,902) owed to directors and companies controlled by directors of the Company. The amounts owing are non-interest bearing, unsecured and have no fixed terms of repayment.

**10. CAPITAL MANAGEMENT**

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at June 30, 2024 and 2023, the Company's financial instruments consist of cash, security deposits on exploration and evaluation assets, accounts payable and accrued liabilities, as well as convertible debentures, all of which are classified as and measured at amortized cost.

The fair values of cash, security deposits on exploration and evaluation assets as well as accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

**a) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk through cash and security deposits on exploration and evaluation assets. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. As at June 30, 2024, the Company had cash of \$494,357 (June 30, 2023 - \$574,735) with large financial institutions, and security deposits of \$78,527 (June 30, 2023 - \$137,226) with Australian municipal bodies. The Company assessed credit risk as low.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2024, the Company is not exposed to interest rate risk.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its obligations under financial instruments. The Company is exposed to liquidity risk through accounts payable and accrued liabilities as well as convertible debentures. The Company's liquidity will be adversely affected if its access to the capital markets is hindered. The Company has no sources of revenue and has obligations to meet its exploration and evaluation commitments and to settle its financial liabilities.

As at June 30, 2024, the Company had cash of \$494,357 (June 30, 2023 - \$574,735) and accounts payable and accrued liabilities of \$630,632 (June 30, 2023 - \$238,024) with contractual maturities of less than one year. The Company will be required to raise additional funding to meet its financial obligations in the near term. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company. The Company assesses liquidity risk as high.

**d) Foreign currency risk**

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company and its subsidiaries are not denominated in their functional currencies. The Company does not manage currency risk through hedging or other currency management tools. Foreign currency risk is not significant.

**12. SEGMENTED INFORMATION**

The Company operates in one reportable segment, being the acquisition, exploration, and development of mineral properties.

A summary of the Company's geographical location of its exploration and evaluation assets as well as property and equipment is as follows:

	<b>June 30, 2024</b>	June 30, 2023
	\$	\$
Canada	-	1,631
Australia	<b>4,353,088</b>	4,802,873
New Zealand	-	59,706
	<b>4,353,088</b>	4,864,210

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**13. INCOME TAXES**

A summary of the Company's reconciliation of income taxes at statutory rates with the reported taxes for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
	\$	\$
Net loss for the year	(2,392,950)	(2,789,863)
Tax rate	27%	27%
Expected income tax recovery	(646,097)	(753,264)
Non-deductible expenditures and non-taxable revenues	(8,018)	153,005
Impact of foreign tax rates	6,271	1,570
Shares issuance costs	(7,306)	(15,966)
Non-deductible portion of capital item	2,209	-
Adjustment to prior years provision versus statutory tax returns	23,390	284,636
Temporary differences originated in the year	6,989	(511)
Change in unrecognized deferred income tax assets	563,612	330,530
<b>Provision for income tax recovery</b>	<b>(58,950)</b>	<b>-</b>

A summary of the Company's significant components of the Company's deferred tax assets and liabilities is as follows:

	June 30, 2024	June 30, 2023
	\$	\$
Deferred income tax assets:		
Share issuance costs	48,964	60,707
Allowable capital losses	16,015	-
Non-capital losses available for future periods	1,373,363	1,094,496
Property and equipment	1,743	1,463
Mineral resource properties	277,654	(729)
Foreign exchange	(463)	203
Convertible debenture	(88,405)	-
<b>Deferred tax assets</b>	<b>1,628,871</b>	<b>1,156,140</b>
Unrecognized deferred income tax assets	(1,628,871)	(1,156,140)
<b>Deferred income tax assets, net</b>	<b>-</b>	<b>-</b>

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

Expiring	June 30, 2024	Expiry date range	June 30, 2023	Expiry date range
	\$		\$	
Temporary differences:				
Share issuance costs	181,348	2045 to 2048	224,842	2043 to 2047
Allowable capital losses	118,630	No expiry date	-	-
Property and equipment	6,972	No expiry date	5,853	No expiry date
Mineral resource properties	1,044,772	No expiry date	11,082	No expiry date
Foreign exchange	-	No expiry date	753	No expiry date
Non-capital losses by country:				
Canada	4,731,878	2038 to 2044	3,920,043	2038 to 2043
Australia	29,404	No expiry date	144,338	No expiry date
	<b>6,113,004</b>		<b>4,306,911</b>	