

DISCOVERY HARBOUR RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Discovery Harbour Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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

	Note	June 30, 2024 \$	September 30, 2023 \$
Assets			
Current assets			
Cash		123,243	89,011
Amounts receivable		8,810	6,373
Prepaid expenses and deposits		-	940
Total current assets		132,053	96,324
Non-current assets			
Investment	5	297,000	297,000
Total assets		429,053	393,324
Liabilities			
Current liabilities			
Trade and other payables		39,699	9,663
Loan payable	7	-	40,000
Total liabilities		39,699	49,663
Equity			
Share capital	8	22,379,913	22,156,822
Contributed surplus	8	2,503,564	2,503,564
Accumulated deficit		(24,494,123)	(24,316,725)
Total equity		389,354	343,661
Total liabilities and equity		429,053	393,324

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

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

 /s/“Darren Collins” Director /s/“Clayton Fisher” Director

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Three months ended		Nine months ended	
		June 30, 2024 \$	June 30, 2023 \$	June 30, 2024 \$	June 30, 2023 \$
Expenses					
Accounting and audit fees		6,000	6,000	33,500	37,500
Consulting	10	45,000	-	70,000	-
Insurance		-	11,500	8,500	19,190
Investor communications		2,328	1,325	3,844	2,854
Legal		21,687	13,978	28,438	17,117
Office and administration		4,042	5,440	7,480	7,979
Salaries and benefits	10	-	34,086	19,000	101,871
Transfer agent and filing fees		5,296	5,514	16,726	16,871
Total expenses		(84,353)	(77,843)	(187,488)	(203,382)
Foreign exchange		90	387	90	(57)
Gain on settlement of debt	7	-	-	10,000	-
		90	387	10,090	(57)
Net loss and comprehensive loss for the period		(84,263)	(77,456)	(177,398)	(203,439)
Loss per common share, basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares outstanding		14,150,929	9,450,929	11,114,798	9,450,929

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Contributed Surplus \$	Accumulated Deficit \$	Total \$
Balance at September 30, 2022	9,450,929	22,156,822	2,503,564	(24,360,629)	299,757
Net loss for the period	-	-	-	(203,439)	(203,439)
Balance at June 30, 2023	9,450,929	22,156,822	2,503,564	(24,564,068)	96,318
Balance at September 30, 2023	9,450,929	22,156,822	2,503,564	(24,316,725)	343,661
Private placement	4,700,000	235,000	-	-	235,000
Share issue costs	-	(11,909)	-	-	(11,909)
Net income for the period	-	-	-	(177,398)	(177,398)
Balance at June 30, 2024	14,150,929	22,379,913	2,503,564	(24,494,123)	389,354

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

DISCOVERY HARBOUR RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in Canadian Dollars)

	2024	2023
	\$	\$
Operating activities		
Net loss for the period	(177,398)	(203,439)
Items not involving cash:		
Gain on settlement of debt	(10,000)	-
Changes in non-cash working capital accounts:		
Amounts receivable	(2,437)	(2,331)
Prepaid expenses	940	(7,970)
Trade and other payables	30,036	7,690
	(4,571)	
Total cash used in operating activities	(158,859)	(210,621)
Financing activities		
Private placement	235,000	-
Share issue costs	(11,909)	-
Loan repayment	(30,000)	-
Total cash provided by financing activities	193,091	-
Total change in cash	34,232	(210,621)
Cash, beginning	89,011	347,262
Cash, end	123,243	136,641
Supplemental information		
Interest paid	-	-
Income taxes paid	-	-

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Page 1
FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

The address of the Company’s corporate office and principal place of business is 1188-1095 West Pender St., Vancouver, British Columbia, Canada.

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

The Company has not generated revenue from operations since inception. The Company has accumulated losses of \$24,494,123 since inception and expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, future profitable production or proceeds from the disposition of the properties and the ability of the Company to acquire or invest in suitable projects and the attainment of profitable operations. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

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

DISCOVERY HARBOUR RESOURCES CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Page 2

FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023

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2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements for the period ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2023 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 12, 2024.

Basis of Measurement

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

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

Basis of Consolidation

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

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2023 annual financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2023 annual financial statements.

5. INVESTMENT

Stratus Aeronautics Inc.

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

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

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6. EXPLORATION AND EVALUATION ASSETS

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

	Fortuity 89	Total
	\$	\$
Balance at September 30, 2022	-	-
Acquisition of property		
Claim rental	10,925	10,925
Write-off of exploration and evaluation assets	<u>(10,925)</u>	<u>(10,925)</u>
Balance at September 30, 2023 and June 30, 2024	<u>-</u>	<u>-</u>

a) Fortuity 89 Property (Nevada, USA)

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

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

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

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Page 7

FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023

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7. LOAN PAYABLE

On April 30, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of \$40,000. The CEBA is a government guaranteed loan of up to \$40,000 that is interest-free until December 31, 2023. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount (\$10,000) is eligible for forgiveness as long as the business pays back \$30,000 on or before January 18, 2024. During the period ended June 30, 2024, the Company repaid \$30,000 of the loan payable and recorded a gain on settlement of debt of \$10,000.

8. SHARE CAPITAL AND RESERVES

a) Common Shares

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

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

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

During the period ended June 30, 2024, the Company arranged a non-brokered private placement consisting of the issuance of 4,700,000 units at a price of \$0.05 per unit for gross proceeds of \$235,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one share at a price of \$0.07 per share for a period of two years. The Company paid share issuance costs of \$11,909 in relation to the financing.

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

b) Preferred Shares

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

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8. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Share Purchase Warrants

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

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at September 30, 2022	5,748,006	1.00
Expired	(5,748,006)	1.00
Balance at September 30, 2023	-	-
Issued	4,700,000	0.07
Balance at June 30, 2024	4,700,000	0.07

Details of warrants outstanding as at June 30, 2024 and September 30, 2023 are as follows:

Expiry Date	Exercise Price (\$)	June 30, 2024	September 30, 2023
March 25, 2026	0.07	4,700,000	-
	Outstanding	4,700,000	-

9. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has an amended and restated Stock Option Plan dated March 23, 2023 (the "Plan"). Because it is a rolling stock option plan, the Company may grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time, under the Plan. However, share compensation awards under all share compensation arrangements of the Company may not exceed, in aggregate, 10% of the total number of issued and outstanding Common Shares. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees, subject to the price restrictions and other TSX Venture Exchange Policy requirements. Options granted under the Plan are subject to vesting terms determined by the Board.

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

	Number of Options	Weighted Average Exercise Price (\$)
Balance at September 30, 2022 and 2023	607,500	0.89
Expired/cancelled	(607,500)	0.89
Balance at June 30, 2024	-	-

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9. SHARE-BASED PAYMENTS (CONTINUED)

a) Option Plan Details (continued)

Details of stock options outstanding and exercisable as at June 30, 2024 and September 30, 2023 are as follows:

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

b) RSU Plan Details

The Company has a restricted share unit plan (the “RSU Plan”) to provide certain directors, officers, employees, and consultants (each, an “Eligible Person”) of the Company and its related entities with the opportunity to acquire RSUs of the Company in order to enable them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company’s Shareholders. The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum of 10% of the Company’s issued and outstanding Common Shares from time to time.

10. RELATED PARTY TRANSACTIONS

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

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

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10. RELATED PARTY TRANSACTIONS (CONTINUED)

During the period ended June 30, 2024, the Company recorded the following to key management personnel:

- \$15,000 (2023: \$29,040) in salaries and benefits to a former Director and Chief Executive Officer of the Company. As at June 30, 2024, the Company owed \$nil to this former Chief Executive Officer (September 30, 2023 - \$Nil).
- \$4,000 (2023: \$72,831) in salaries and benefits to a former Director and Chief Financial Officer of the Company. As at June 30, 2024, the Company owed \$nil to this former Chief Financial Officer (September 30, 2023 - \$Nil).
- \$40,000 (2023: Nil) in consulting fees to a Director and Chief Financial Officer of the Company. As at June 30, 2024 the Company owed \$15,000 to this Chief Financial Officer (September 30, 2023 - \$Nil).

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

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

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

	June 30, 2024		September 30, 2023	
	Fair Value \$	Carrying Value \$	Fair Value \$	Carrying Value \$
FVTPL assets (i)	420,243	420,243	386,011	386,011
Amortized cost liabilities (ii)	39,699	39,699	49,663	49,663

(i) Cash and investments

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

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

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

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FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

As at June 30, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	123,243	-	-	123,243
Investments	-	-	297,000	297,000

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

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and cash equivalents. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk, the Company only holds its cash and cash equivalents with high credit chartered Canadian financial institutions. As at June 30, 2024, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payables, amounts due to related parties and loans payable. The Company has working capital of \$92,354 as at June 30, 2024 and handles its liquidity risk through the management of its capital structure. All of the Company's financial liabilities are due on demand within one year, do not generally bear interest and are subject to normal trade terms.

Market risk

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Page 8

FOR THE NINE MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Currency risk

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

12. CAPITAL MANAGEMENT

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

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

13. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties.

14. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Company granted 1,000,000 stock options to officers, directors and consultants exercisable at \$0.08 per share for a period of 5 years from the date of grant.