

VANTEX RESOURCES LTD.
ANNUAL FINANCIAL STATEMENTS
AS AT OCTOBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Vantex Resources Ltd.

Opinion

We have audited the financial statements of Vantex Resources Ltd. (the Company), which comprise the statement of financial position as at October 31, 2023 and October 31, 2022, and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and October 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which indicates the Company has not yet generated income or cash flows from its operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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

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

Other Information

Management is responsible for the other information. The other information comprises the Management discussion and analysis but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rhéal Brunet, CPA auditor.

Brunet Roy Dubé, CPA S.E.N.C.R.L.¹

Montreal,
February 28, 2024

¹CPA auditor, public accountancy permit No. A108047

VANTEX RESOURCES LTD.
Statements of financial position
As at October 31,
(Expressed in Canadian dollars)

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 8) | \$ 1,219,156 | \$ 1,266,991 |
| Cash reserved for exploration (Note 17d) | - | 15,000 |
| Accounts receivable (Note 9) | 5,819 | 52,408 |
| Prepaid expenses (Note 10) | - | 3,964 |
| Current assets | <u>1,224,975</u> | <u>1,338,363</u> |
| Non-current | | |
| Investments (Note 11) | 101,933 | 177,426 |
| Exploration and evaluation assets (Note 12) | 27,851 | 72,414 |
| Non-current assets | <u>129,784</u> | <u>249,840</u> |
| Total assets | <u>\$ 1,354,759</u> | <u>\$ 1,588,203</u> |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities (Notes 14 and 15) | \$ 459,330 | \$ 326,673 |
| Loan payable (Note 16) | 11,558 | 11,244 |
| Current liabilities | <u>470,888</u> | <u>337,917</u> |
| Total liabilities | <u>470,888</u> | <u>337,917</u> |
| EQUITY | | |
| Share capital (Note 17a) | 19,951,710 | 19,951,710 |
| Contributed surplus | 4,946,018 | 4,946,018 |
| Deficit | (24,013,857) | (23,647,442) |
| Total equity | <u>883,871</u> | <u>1,250,286</u> |
| Total liabilities and equity | <u>\$ 1,354,759</u> | <u>\$ 1,588,203</u> |

Approved on behalf of the Board on February 28, 2024

Anthony Jackson (s)
Director

Quinn Field-Dyte (s)
Director

Notes to financial statements are an integral part of the financial statements.

VANTEX RESOURCES LTD.

Statements of changes in equity

For the years ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

| | Share capital | Contributed surplus | Deficit | Total equity |
|-----------------------------------|-------------------|---------------------|---------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance - November 1, 2022 | 19,951,710 | 4,946,018 | (23,647,442) | 1,250,286 |
| Comprehensive loss for the year | - | - | (366,415) | (366,415) |
| Balance - October 31, 2023 | <u>19,951,710</u> | <u>4,946,018</u> | <u>(24,013,857)</u> | <u>883,871</u> |
| Balance - November 1, 2021 | 19,951,710 | 4,946,018 | (23,499,514) | 1,398,214 |
| Comprehensive loss for the year | - | - | (147,928) | (147,928) |
| Balance - October 31, 2022 | <u>19,951,710</u> | <u>4,946,018</u> | <u>(23,647,442)</u> | <u>1,250,286</u> |

Notes to financial statements are an integral part of the financial statements.

VANTEX RESOURCES LTD.

Statements of loss and comprehensive loss

For the years ended October 31,

(Expressed in Canadian dollars)

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| OPERATING EXPENSES | | |
| Consulting and professional fees (Notes 14 and 18) | \$ 153,858 | \$ 151,595 |
| Flow-through share penalties (Note 17d) | 9,179 | 100 |
| Insurance | 9,128 | 9,870 |
| Listing fees and rights | 8,853 | 8,584 |
| Rent and office expenses | 61,138 | 61,346 |
| Registration and information to shareholders | 7,397 | 2,681 |
| Repairs and maintenance | - | 2,562 |
| Travelling expenses and entertainment | 32,366 | 62,043 |
| | <u>(281,919)</u> | <u>(298,781)</u> |
| OPERATING LOSS | | |
| OTHER ITEMS | | |
| Foreign exchange loss | - | (1,158) |
| Interest income (Note 8) | 17,778 | - |
| Impairment loss on exploration and evaluation assets (Note 12b) | (44,563) | - |
| Unrealized loss on investments (Note 11) | (75,493) | (97,989) |
| Other income (Note 12a) | - | 250,000 |
| Write-off of payables (Note 15) | 17,782 | - |
| | <u>(84,496)</u> | <u>150,853</u> |
| LOSS BEFORE TAXES | <u>(366,415)</u> | <u>(147,928)</u> |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR | \$ <u>(366,415)</u> | \$ <u>(147,928)</u> |
| LOSS PER SHARE, BASIC AND DILUTED (Note 19) | \$ <u>(0.08)</u> | \$ <u>(0.03)</u> |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | <u>4,809,252</u> | <u>4,809,252</u> |

Notes to financial statements are an integral part of the financial statements.

VANTEX RESOURCES LTD.
Statements of cash flows
For the years ended October 31,
(Expressed in Canadian dollars)

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Net loss for the year | (366,415) | (147,928) |
| Non-cash items for the year: | | |
| Foreign exchange loss | - | 1,158 |
| Impairment loss on exploration and evaluation assets | 44,563 | - |
| Interest expense on loan payable | 314 | 315 |
| Write-off of payables | (17,782) | - |
| Other income (Note 12a) | - | (150,000) |
| Unrealized loss on investments | 75,493 | 97,989 |
| | <u>(263,827)</u> | <u>(198,466)</u> |
| Changes in non-cash working capital items: | | |
| Cash reserved for exploration | 15,000 | - |
| Accounts receivable | 46,589 | (50,033) |
| Prepaid expenses and deposits | 3,964 | (517) |
| Accounts payable and accrued liabilities | 150,439 | (62,633) |
| | <u>215,992</u> | <u>(113,183)</u> |
| Net cash used in operating activities | <u>(47,835)</u> | <u>(311,649)</u> |
| INVESTING ACTIVITY | | |
| Exploration expenses | - | (9,821) |
| Net cash used in investing activity | <u>-</u> | <u>(9,821)</u> |
| Net decrease in cash and cash equivalents | <u>(47,835)</u> | <u>(321,470)</u> |
| Cash and cash equivalents at the beginning of the year | <u>1,266,991</u> | <u>1,588,461</u> |
| Cash and cash equivalents at the end of the year (Note 8) | <u>1,219,156</u> | <u>1,266,991</u> |
| Additional information | | |
| Interest received | <u>14,920</u> | <u>-</u> |

Notes to financial statements are an integral part of the financial statements.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

The Company was incorporated under the Company Act of British Columbia and obtained a certificate of continuance under the Canada Business Corporations Act. On February 23, 2004, a modification certificate was issued, modifying the name Vantex Oil, Gas and Minerals Ltd. by Vantex Resources Ltd. The Company's activities include the acquisition, exploration and development of mining properties. The Company has not yet determined whether these properties contain ore reserves that are economically recoverable. Its shares are trading on TSX Venture Stock Exchange ("TSX-V") on symbol VAX.

The address of registered office and its principal place of business is 400 - 837 West Hastings Street, Vancouver, BC V6C 3N6.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business.

Given that the Company has not yet found a mining property which contains ore reserves that are economically recoverable, the Company did not generate income and cash flow from its operations until now. As at October 31, 2023, the Company has a deficit of \$24,013,857 (2022 - \$23,647,442).

The Company's ability to continue as a going concern is dependent upon raising additional funds. In spite of the obtaining of funds in the past, there is no guarantee of success for the future. These conditions raise significant doubt regarding the Company's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the balance sheet classification have not been adjusted as would be required, if the going concern assumption was not appropriate.

3. STATEMENT OF COMPLIANCE

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

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

4. BASIS OF MEASUREMENT

The annual financial statements have been prepared on a historical cost basis, except for investments measured at fair value. The annual financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

The accounting policies set out in Note 5 have been applied consistently by the Company to all periods presented.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets ("E&E") according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mining properties which have been determined to be economically viable.

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount 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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

a) Exploration and Evaluation Assets *(continued)*

iii. Impairment *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at October 31, 2023.

c) Cash and Cash Equivalents

Cash in the statement of financial position is comprised of cash held at major financial institutions and short-term investments which are readily convertible into a known amount of cash. The Company's cash is invested in business accounts which are available on demand by the Company.

Fund to be spent on exploration under tax restrictions through flow-through investments are excluded from cash and cash equivalents and are presented separately in current assets. Cash for exploration represents unspent funds from flow-through investments.

d) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Deferred tax is provided using the balance sheet liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

e) Share Capital

Share capital and warrants

Common shares and warrants are classified in equity. Issue costs that are directly attributable to the issuance of shares and warrants are recognized in equity as a deduction from the issue proceeds during the period when these transactions occur.

Proceeds from unit placements are allocated between shares and warrants issued using the relative fair value method. Proceeds are charged in proportion to the fair value of shares based on the stock prices at the time of issue and the fair value of the warrants determined using the Black-Scholes model.

The fair value attributed to the warrant is recorded as warrant equity. If the warrant is exercised, the value attributed to the warrant is transferred to share capital. If the warrant expires unexercised, the value is reclassified to contributed surplus within equity.

Flow-through placements

The Company finances some exploration expenditures through the issuance of flow-through shares. Under the provisions of tax legislation relating to flow-through shares, the Company is required to renounce tax deductions for expenses related to exploration activities to the benefit of the investors.

Issuance of flow-through shares represents in substance a compound financial instrument. The liabilities compound represents the sale of the right to tax deductions to the investors. The proceeds received from flow-through placements are allocated between share capital and the deferred gain on flow-through placement, using the residual method. The shares are valued at the fair value of existing shares at the time of issuance and the residual proceeds is allocated to liability as a deferred gain which is reversed to net income when eligible expenditures have been made or when the liabilities are not met.

The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are made.

Contributed surplus

Contributed surplus includes, among other things, charges related to stock options expenses until the exercise of these options.

f) Share-Based Payments

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

The Company uses the Black-Scholes option pricing model to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

g) Profit (Loss) Per Share

The Company presents basic and diluted profit (loss) per share data for its common shares, calculated by dividing the profit (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. 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.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Option Agreement on Mining Properties

Options on interests in mining properties acquired by the Company are recorded at the value of disbursed cash consideration, including any economic benefit transferred, but excluding future spending commitment. Since the commitment of future expenditures does not meet the definition of a liability, it is not recognized. Expenditures are recorded only when they are incurred by the Company.

When the Company sells its interests in mineral properties, it uses the book value of the property before the sale of the option as part of the carrying value of the property and credits any monetary consideration received and the fair value of other financial assets against the carrying value of this property. Any surplus is recorded in net income.

i) Provisions, Contingent Liabilities and Contingent Assets

A present obligation arises from the presence of legal or constructive commitment that has resulted from past events, such as legal disputes, liabilities related to decommissioning, restoration and similar liabilities or onerous contracts. The evaluation of provisions corresponds to the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the date of presentation of financial information, including risks and uncertainties relating to the obligation. When there is a large number of similar obligations, the likelihood that an outflow of resources will be required to settle these obligations is determined by considering the class of obligations as a whole. Provisions are discounted when the time value of money is significant. Any reimbursement that the Company can be virtually certain to collect from a third party to the obligation is recognized as a separate asset. However, this asset should not exceed the amount of the related provision. Provisions are reviewed at each reporting date for financial information and adjusted to reflect current best estimates at that date. When a possible outflow of resources of economic benefits as a result from present obligations is considered either improbable or a low probability is determined, no liability is recorded unless it was assumed in the course of a business combination. In a business combination, contingent liabilities related to a present obligation is recognized in the allocation of the purchase price of the assets acquired and liabilities are assumed as part of the business combination. They are subsequently measured at the highest amount of a comparable provision, as described above, and the amount initially recognized, net of depreciation.

Entries that are probable economic benefits to the Company that do not yet meet the recognition criteria of an asset are treated as contingent assets. The Company's operations are governed by laws and government regulations concerning environmental protection. The environmental consequences are difficult to identify, whether the amounts are based on timing or outcome. The Company currently operates in accordance with the laws and regulations currently in force. Any payment that may result from the restoration of mining properties, if any, will be recorded in cost of mining properties when it will be possible to make a reasonable estimate.

j) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

| Financial assets/liabilities | Classification IFRS 9 |
|--|------------------------------|
| Cash and cash equivalents | Amortized cost |
| Other receivable | Amortized cost |
| Investments | FVTPL |
| Accounts payable and accrued liabilities | Amortized cost |
| Loan payable | Amortized cost |

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

j) Financial Instruments (continued)

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise.

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial liabilities

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

k) Revenue Recognition

Interest income is recognized on an accrual basis. They are recognized based on the number of days the investment is held during the year.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

Exploration and evaluation expenditures

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

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases ((Note 5 a) iii.).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale of the property when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and the renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amounts capitalized are written-off in profit or loss in the period in which the new information becomes available.

Title to mineral property interests

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

Going concern

The Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 2.

Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's-length transaction, between knowledgeable, willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as the number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable, otherwise the Company uses the best possible estimate.

Deferred tax

When the Company anticipates an amount of tax to pay in the future according to its estimates, a liability is recognized.

The evaluation of the probability of future taxable income involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences and the deferred unused tax credits and unused tax losses can be utilized.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are sources of estimation and uncertainty.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

Provisions and contingent liabilities (continued)

As at October 31, 2023, the contingencies of the Company concerning environmental impacts and flow-through shares are disclosed in Note 23.

7. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and revised standards that are effective

Annual Improvements to IFRS Standards 2018-2020

The standard IFRS 9 *Financial Instrument* have been revised to incorporate amendments issued by the IASB in May 2020. The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The retrospective application of these amendments had no impact on the Company's loss or financial position.

IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the IASB in February 2021 to require entity to disclose material accounting policies information rather than significant account policies. The Company pre-empted the application as permitted.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

Other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

IAS 8 – Definition of Accounting Estimates

This standard has been revised to incorporate amendments issued by the IASB in February 2021. According to new definition, accounting estimates are "*monetary amounts in financial statements that are subject to measurement uncertainty*". The amendment is effective for annual reporting periods beginning or after January 1, 2023. Earlier application is permitted.

IAS 12 – Income Taxes

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2021. The amendments clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

8. CASH AND CASH EQUIVALENTS

| | October 31, 2023 | October 31, 2022 |
|----------------------------|---------------------|---------------------|
| | \$ | \$ |
| Cash | 449,376 | 514,569 |
| Investment - Cash | 12 | 752,422 |
| Investment - Money Market* | 769,768 | - |
| | 1,219,156 | 1,266,991 |

*Investment in Money Market is a monthly renewable units of Canadian Treasury-Bill ("CDA").

During the year ended October 31, 2023, the Company sold 3,803,989 money market units of CDA for proceeds of \$3,803,989. The outstanding CDA held were revalued to \$769,768 at October 31, 2023. The Company recorded interest income of \$17,514 (2022 - \$Nil) in statement of loss during the year ended October 31, 2023 from sale and revaluation of CDA.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

9. ACCOUNTS RECEIVABLE

| | October 31, 2023 | October 31, 2022 |
|-----------------------------|---------------------|---------------------|
| | \$ | \$ |
| Taxes receivable | 5,819 | 2,408 |
| Other receivable (Note 12a) | - | 50,000 |
| | <u>5,819</u> | <u>52,408</u> |

10. PREPAID EXPENSES

| | October 31, 2023 | October 31, 2022 |
|-----------|---------------------|---------------------|
| | \$ | \$ |
| Insurance | - | 3,964 |

11. INVESTMENTS

| | Number of Shares | Cost \$ | Fair Value \$ |
|--|---------------------|----------------|------------------|
| Common shares of Fokus Mining Corporation ("Fokus") (a) | | | |
| Balance, October 31, 2021 | - | - | - |
| Acquisition | 1,764,706 | 150,000 | 150,000 |
| Unrealized loss on change in fair value | - | - | (35,294) |
| Balance, October 31, 2022 | 1,764,706 | 150,000 | 114,706 |
| Unrealized loss on change in fair value | - | - | (44,118) |
| Balance, October 31, 2023 | <u>1,764,706</u> | <u>150,000</u> | <u>70,588</u> |
| Common shares of Integra Resources Corp. ("Integra") (b) | | | |
| Balance, October 31, 2021* | 92 | 500 | 415 |
| Unrealized loss on change in fair value | - | - | (195) |
| Balance, October 31, 2022 | 92 | 500 | 220 |
| Unrealized gain on change in fair value | - | - | (125) |
| Balance, October 31, 2023 | <u>92</u> | <u>500</u> | <u>95</u> |
| Common shares of Bullion Gold Resources Corp ("Bullion") (c) | | | |
| Balance, October 31, 2021 | 1,250,000 | 116,250 | 125,000 |
| Unrealized loss on change in fair value | - | - | (62,500) |
| Balance, October 31, 2022 | 1,250,000 | 116,250 | 62,500 |
| Unrealized loss on change in fair value | - | - | (31,250) |
| Balance, October 31, 2023 | <u>1,250,000</u> | <u>116,250</u> | <u>31,250</u> |
| Balance, October 31, 2022* | <u>3,014,798</u> | <u>266,750</u> | <u>177,426</u> |
| Balance, October 31, 2023 | <u>3,014,798</u> | <u>266,750</u> | <u>101,933</u> |

- a) On September 2, 2020, the Company closed the option agreement entered on July 15, 2020, with Fokus Mining Corporation (formerly Fieldex Exploration Inc.) ("Fokus"), pursuant to the agreement Fokus acquired a 100% interest in the Galloway project for cash consideration of \$1,000,000 and issuance of 3,000,000 shares with a fair value of \$1,170,000 (Note 12). As at October 31, 2020, the Company held 6.25% of Fokus issued shares.

During the year ended October 31, 2021, the Company fully sold 3,000,000 shares of Fokus for a total net proceeds of \$752,922 and recognized a loss on sale of investment of \$413,067.

On August 25, 2022, pursuant to the agreement entered on August 22, 2022 with the Company, to which it sell additional payments right according to option agreement on July 15, 2020 concerning the minimum ounces of gold in qualifying 43-101 indicated mineral resources. The Company received 1,764,706 Fokus common shares ("Consideration Shares") with a fair value of \$150,000 (Note 12a). The Consideration Shares are subject to four, five, six-, seven-, eight- and nine-month voluntary resale restrictions, each applicable to the sixth (1/6) of the Consideration Shares, since August 25, 2022.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

11. INVESTMENTS (continued)

As at October 31, 2023, the market value of the Fokus investment decrease and an unrealized loss of \$44,118 (2022 - \$35,294) was recognized in statement of loss. The Company held 1.8% of Fokus issued shares.

- b) On February 11, 2021, the Company acquired 1,000 shares of Millennial Precious Metals Corp. (formerly Millennial Silver Corp.) for a cost of \$500.

On May 5, 2023, pursuant to the agreement entered on February 27, 2023, Integra Resources ("Integra") and Millennial Precious Metals Corp. have merged their companies by way of a court-approved plan. Integra acquired all of the issued outstanding common shares of Millennial Precious Metals Corp. Millennial shareholders received 0.23 of a common share of Integra for each Millennial Share held.

*On May 26, 2023, Integra consolidated its common shares on the basis of one new common share for every 2.5 existing common shares. The 230 shares held by the Company convert into 92 shares.

As at October 31, 2023, the market value of the Integra investment decreased and an unrealized loss of \$125 (2022 - \$195) was recognized in statement of loss. The Company held minus than 1.0% of Integra issued shares.

- c) On March 19, 2021, the Company closed the option agreement entered on March 5, 2021, with Bullion Gold Resources Corporation ("Bullion"), pursuant to the agreement Bullion acquired a 100% interest in the Bousquet project for cash consideration of \$150,000 and issuance of 1,250,000 shares with a fair value of \$116,250 (Note 12). As at October 31, 2023, the Company held 2.34% of Bullion issued shares, and the market value of the Bullion investment is \$31,250 (2022 - \$62,500). The Company recognized an unrealized loss of \$31,250 (2022 - \$62,500) in statement of loss and held 2.3% of Bullion issued shares.

Due to Autorité des Marchés Financiers, Québec ("AMF") regulation 45-102 which prevents Vantex from selling Bullion shares during the first four months and 1 day of ownership, Vantex could not sell 375,000 shares of Bullion Gold before November 18, 2021.

12. EXPLORATION AND EVALUATION ASSETS**Mining properties**

| | Mining claims | Royalties | Held | Cost October 31, 2022 | Impairment | Cost October 31, 2023 |
|-------------|---------------|-----------|------|--------------------------|------------|--------------------------|
| | | % | % | \$ | \$ | \$ |
| Cléricy (b) | 10 | * | 100 | 15,635 | (9,621) | 6,014 |
| Total | 10 | | | 15,635 | (9,621) | 6,014 |

*Royalty of 1% NSR for ten mining titles.

Exploration expenses

| | Cost October 31, 2022 | Impairment | Cost October 31, 2023 |
|-------------|--------------------------|------------|--------------------------|
| | \$ | \$ | \$ |
| Cléricy (b) | 56,779 | (34,942) | 21,837 |
| Total | 56,779 | (34,942) | 21,837 |

The mining property is located in Quebec.

Mining properties

| | Mining claims | Royalties | Held | Cost October 31, 2021 | Option Agreement | Cost October 31, 2022 |
|-------------|---------------|-----------|------|-----------------------------|---------------------|-----------------------------|
| | | % | % | \$ | \$ | \$ |
| Cléricy (b) | 26 | * | 100 | 15,635 | - | 15,635 |
| Total | 26 | | | 15,635 | - | 15,635 |

*Royalty of 1% NSR for ten mining titles.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

12. EXPLORATION AND EVALUATION ASSETS *(continued)***Exploration expenses**

| | Cost October 31, 2021 | Exploration expenses | Exploration credit | Option Agreement | Cost October 31, 2022 |
|-------------|-----------------------------|-------------------------|-----------------------|---------------------|-----------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cléricy (b) | 46,958 | 9,821 | - | - | 56,779 |
| | 46,958 | 9,821 | - | - | 56,779 |

The mining property is located in Quebec.

Summary

| | October 31, 2023 | October 31, 2022 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Total of mining properties | 6,014 | 15,635 |
| Total of exploration expenses | 21,837 | 56,779 |
| Total of exploration and evaluation assets | 27,851 | 72,414 |

a) Galloway Project

As part of the Galloway project, the Company has signed in 2009 commitments related to option agreements for the acquisition of the mining properties Hurd, Ogima Nord, Sandborn, Perron, Francoeur and Cadillac Rang III, all situated in the Dasserat Township. Having made the last required payments and shares issuances to the sellers in February 2011, the Company now owns a 100% interest in the Sandborn, Perron, Francoeur and Cadillac Rang III properties and a 90% interest in the Hurd and Ogima Nord properties. These interests were acquired in return of payments totaling \$282,500 and the issuance of 484,680 common shares since 2009.

In January 2013, the Company proceeded with the repurchase of a 20% portion of the 2% royalty relating to the Hurd Property for a payment of \$50,000.

The number of mining titles constituting the Perron Property decreased following an agreement with the Québec Government. As a result, the Company transferred 7 mining claims to the Ministère de l'Énergie et des Ressources naturelles for which the latter increased the surface of five other claims included in this Property.

In March 2016, the Company signed an amended option agreement with Vanstar Mining Resources Inc. ("Vanstar") concerning certain mining blocks of the Galloway project located in the Rouyn-Noranda area, Abitibi. Under this agreement, the Company grants Vanstar the option to acquire a 50% interest in the Perron, Renault Bay and part of the Hurd blocks over a period of five years in return of the following work commitments: \$100,000 for each of the first two years, \$300,000 for the third year, \$500,000 for the fourth year and \$1,000,000 for the fifth year. Vanstar will acquire a 2.5% interest for each tranche of \$100,000 invested. In the original agreement, Vanstar had to invest \$400,000 each year in works.

On September 13, 2016, the Company has entered into an agreement to terminate its existing option agreement with Vanstar Mining Resources Inc. pursuant to which Vanstar acquired the right to purchase up to a 50% interest in certain mining claims, specifically in the Perron, Renault Bay and Hurd blocks (PRH gold project), situated in Dasserat Township, Abitibi, and referred to as the Galloway Property, located in the Rouyn-Noranda area of Quebec, Canada. According to final agreement on January 9, 2017, the Company agreed to a cash payment of \$50,000, the issuance of 50,000 shares at a value of \$50,000 and a royalty of 0.5% NSR on those claims. Also, the Company has subscribed for 1,428,571 shares by way of private placement from Vanstar at unit share price of \$0.07.

In October 2018, the Company still holds the mining rights of the property Ogima Nord, Sandborn, Francoeur and Cadillac Rang III, but the management has determined that an impairment loss of 100% should be recorded. In December 2019, the Company renewed the mining rights of the property in Perron, Sandborn, and Cadillac Rang III, capitalized as exploration expenses.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

12. EXPLORATION AND EVALUATION ASSETS *(continued)*

a) Galloway Project (continued)

On September 2, 2020, the Company closed the option agreement entered on July 15, 2020, with Fokus Mining Corporation (formerly Fieldex Exploration Inc.) ("Fokus"), pursuant to the agreement Fokus acquired a 100% interest in the Galloway project for cash consideration of \$1,000,000 and issuance of 3,000,000 shares as follows:

- Cash payment of \$250,000 upon approval of the agreement by the TSX-V (received);
- Additional cash payment of \$750,000 payable in three tranches of \$250,000 each over period of nine months from the effective date (received); and
- Issue 3,000,000 common shares of Fokus within 10 days of the effective date (received).

Pursuant to the agreement, the Company will also be entitled to be paid by Fokus \$500,000 in cash upon the first declaration of a minimum 500,000 ounces of gold in qualifying 43-101 indicated mineral resources and an additional \$500,000 in cash upon the first declaration of a minimum one million ounces of gold in qualifying 43-101 indicated mineral resources. On June 4, 2021, the Company received the fourth and final cash payment of \$250,000 pursuant to the above option agreement. As at October 31, 2021, Fokus now owns 100% interest in the Galloway Project. During the year ended October 31, 2021, the Company recognized a loss on sale of \$637 (2020 - impairment loss of \$3,252,209) on profit or loss.

On August 25, 2022, Fokus closed an agreement with the Company entered on August 22, 2022, pursuant to which it sell additional payments right according to option agreement on July 15, 2020 concerning the minimum ounces of gold in qualifying 43-101 indicated mineral resources. Pursuant to the agreement, Fokus paid the Company a consideration of \$250,000, comprised of (i) \$100,000 in cash (\$50,000 received on August 25, 2022 and the remaining \$50,000 received on January 27, 2023) and (ii) \$150,000 through the issuance of 1,764,706 common shares (Note 11). In relation to this, a total of \$250,000 was recognized as other income in the statement of loss and comprehensive loss during the year ended October 31, 2022.

b) Cléricy Property

During the year 2015, the Company acquired by map designation 16 mining titles situated in the Cléricy Township.

In February 2016, the Company acquired a 100% in 10 mining cells in consideration of 30,000 common shares at a value of \$15,000 and a 1% net smelter return royalty to the vendor. These mining cells are located in the Cléricy Township, bordering the Property held by the Company to the east.

In March 2022, the Company renewed the mining rights of these claims, capitalized \$9,821 as exploration expenses.

During the year ended October 31, 2023, the Company did not renew 16 mining titles and recognized impairment loss of \$44,563 (2022 - \$Nil) in the statement of loss and comprehensive loss.

13. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To increase the value of the assets of the business; and
- To provide an adequate return to the shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production, sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods decrease by \$366,415 during the year, under review is summarized in Note 17 and in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work. See all details in Note 17.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

13. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (continued)

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments within the changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company might issue new shares, or sell assets to reduce debt.

14. RELATED PARTY TRANSACTIONS AND BALANCES

The following transactions occurred between related parties:

| For the years ended October 31, | 2023 | 2022 |
|---|---------|---------|
| Operating expense: | \$ | \$ |
| Consulting and professional fees paid to an officer and companies owned by an officer | 126,000 | 131,000 |

During the year ended October 31, 2017, the Company contracted a loan payable to a director of \$150,000 at 15% interests, which has been reimbursed. As at October 31, 2021, an interest amount of \$6,500 was payable. As at October 31, 2022, the interest amount has been paid by the Company.

The accounts payable include \$78,182 (2022 - \$5,250) owing to a director and officer and a company owned by an officer of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amounts which are the amounts agreed upon by the transacting parties. The amounts due to and due from related parties are unsecured and non-interest bearing.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | October 31, 2023 | October 31, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Vendors, accrued liabilities, other payable and part XII.6 taxes | 459,330 | 326,673 |

During the year ended October 31, 2023, the Company wrote off \$17,782 (2022 - \$Nil) of payables.

16. LOAN PAYABLE

During the year ended October 31, 2020, the Company received a loan of \$10,500 from a non-related party. The loan bears 3% interest per annum, unsecured and due on demand. During the year ended October 31, 2023, the Company accrued \$314 (2022 - \$315) as interest recorded in rent and office expenses. As at October 31, 2023, the balance outstanding including accrued interest was \$11,558 (2022 - \$11,244).

17. SHARE CAPITAL**a) Authorized Share Capital**

Unlimited number of voting and participating common shares, without par value.

Issued:

| | October 31, 2023 | | October 31, 2022 | |
|--|------------------|------------|------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning and end of the year | 4,809,252 | 19,951,710 | 4,809,252 | 19,951,710 |

b) Warrants

There were no outstanding warrants as at October 31, 2023 and 2022.

Warrants issued to brokers:

There were no outstanding warrants issued to brokers as of October 31, 2023 and 2022.

VANTEX RESOURCES LTD.

Notes to financial statements

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17. SHARE CAPITAL *(continued)*

c) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant.

There were no outstanding stock options as at October 31, 2023 and 2022.

d) Flow-through shares issued

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation.

During the year ended October 31, 2021, the Company issued 100,000 flow-through shares at a price of \$0.15 per share for gross proceeds of \$15,000. The Company recognized a flow-through liability of \$Nil for the issuance of these shares using the residual value method.

As a result of not filing the forms on time with Canada Revenue Agency, the Company recognized an expense of \$100 for late filing penalties during the year ended October 31, 2022.

During the year ended October 31, 2023, the Company recognized penalties of \$9,179 (2022 - \$Nil) due to unspent funds.

18. MANAGEMENT REMUNERATION

| For the years ended October 31, | 2023 | 2022 |
|---|---------|---------|
| | \$ | \$ |
| Consulting and professional fees for officers | 126,000 | 131,000 |

No salaries or fees are paid to directors. The services provided by officers at the Company are remunerated as fees. No expense regarding employee benefits is incurred by the Company as pension plan or group insurance.

19. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted earnings per share, dilutive potential ordinary shares such as warrants and share options have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be anti-dilutive. Details of warrants and share options issued that could potentially dilute earnings per share in the future are given in Note 17.

The calculation of basic and diluted loss per share for the years ended October 31, 2023 and 2022 was based on the loss attributable to common shareholders of \$366,415 (2022 - \$147,928) and the weighted average number of common shares outstanding of 4,809,252 (2022 - 4,809,252).

20. COMMITMENT

Royalties

Royalties will be paid in the event that commercial exploitation on Clericy begin at 1.00% for ten mining titles as of October 31, 2023, see Note 12.

VANTEX RESOURCES LTD.

Notes to financial statements

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21. INCOME TAXES AND DEFERRED TAXES

Total income tax expense are allocated as follows:

| | October 31, 2023 | October 31, 2022 |
|-----------------|------------------|------------------|
| | \$ | \$ |
| Tax liabilities | - | - |
| Deferred taxes | - | - |
| | - | - |

- a) Income taxes expenditures (recovery) differ from the amounts computed by applying the combined federal and provincial current income tax rate 26.50% (2022 - 26.50%) to the loss before taxes for the following reasons:

| | October 31, 2023 | October 31, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Loss before income taxes | (366,415) | (147,928) |
| Income taxes (expected recovery) | (97,100) | (39,201) |
| Increase (reduction) in income taxes resulting from: | | |
| Non-deductible expenses | 4,455 | 2,447 |
| Impairment loss on exploration and evaluation assets | 11,809 | - |
| Unrealized loss on investment | 20,006 | 25,967 |
| Write-off of payable | (4,712) | - |
| Unrecognized tax benefits | 65,542 | 10,787 |
| Income tax liabilities | - | - |
| Change in deferred tax liabilities | - | - |
| Deferred income tax | - | - |

VANTEX RESOURCES LTD.

Notes to financial statements

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21. INCOME TAXES AND DEFERRED TAXES (continued)

- b) The tax benefit from the deferral of non-capital losses is not recorded in the financial statements. These losses could reduce taxable income in future years and, consequently, reduce income taxes payable. They amount to \$7,819,043 (2022 - \$7,589,496) for federal purposes and \$7,514,880 (2022 - \$7,301,516) for provincial purposes and expire as follows:

| Year | Federal | Provincial | Year |
|-------|-----------|------------|------|
| | \$ | \$ | |
| 2026 | 290,422 | 263,600 | 2026 |
| 2027 | 444,975 | 427,094 | 2027 |
| 2028 | 502,733 | 481,356 | 2028 |
| 2029 | 477,749 | 455,864 | 2029 |
| 2030 | 632,444 | 606,518 | 2030 |
| 2031 | 831,142 | 824,234 | 2031 |
| 2032 | 1,096,192 | 1,085,052 | 2032 |
| 2033 | 639,072 | 637,236 | 2033 |
| 2034 | 377,641 | 234,383 | 2034 |
| 2035 | 299,071 | 299,071 | 2035 |
| 2036 | 798,703 | 798,137 | 2036 |
| 2037 | 429,375 | 426,699 | 2037 |
| 2038 | 146,286 | 146,286 | 2038 |
| 2039 | 194,958 | 194,695 | 2039 |
| 2040 | 196,582 | 196,582 | 2040 |
| 2041 | 173,663 | 166,221 | 2041 |
| 2042 | 40,706 | 40,706 | 2042 |
| 2043 | 247,329 | 231,146 | 2043 |
| Total | 7,819,043 | 7,514,880 | |

- c) The tax benefit from deferral of capital losses is not recorded in the financial statements. These capital losses may reduce future capital gains up to \$711,144 at October 31, 2023 (2022 - \$711,144).
- d) The carrying value of exploration assets is \$326,326 lower (2022 - lower \$281,763) than the federal and provincial tax values. The difference between the tax value and the amounts capitalized in the financial statements is mainly due to Company waives exploration cost in favor to investors related to flow-through financing as well as exploration and evaluations assets write-offset.
- e) The unamortized balance of tax expenses related to the share issuances expenses amounts to \$Nil as at October 31, 2023 (2022 - \$Nil).
- f) Given the combined federal and provincial future tax rate of 26.50% (2022 - 26.50%), the important components of deferred tax assets and liabilities are as follows:

| | October 31, 2022 | Recognized in profit | Recognized directly in equity | October 31, 2023 |
|-------------------------------------|---------------------|-------------------------|-------------------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Deferred tax assets (liabilities) | | | | |
| Capital losses | 94,227 | - | - | 94,227 |
| Non-capital losses carried forwards | 1,978,099 | 58,969 | - | 2,037,068 |
| Investment | (2,296) | 45,973 | - | 43,677 |
| Exploration and evaluation assets | 74,667 | 11,809 | - | 86,476 |
| | 2,144,697 | 116,751 | - | 2,261,448 |
| Less: Unrecognized tax benefits | (2,144,697) | (116,751) | - | (2,261,448) |
| Deferred tax assets (liabilities) | - | - | - | - |

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

21. INCOME TAXES AND DEFERRED TAXES (continued)

| | October 31, 2021 | Recognized in profit | Recognized directly in equity | October 31, 2022 |
|-------------------------------------|---------------------|-------------------------|-------------------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Deferred tax assets (liabilities) | | | | |
| Capital losses | 94,227 | - | - | 94,227 |
| Non-capital losses carried forwards | 1,967,312 | 10,787 | - | 1,978,099 |
| Investment | (2,296) | - | - | (2,296) |
| Exploration and evaluation assets | 78,035 | (3,368) | - | 74,667 |
| | 2,137,278 | 7,419 | - | 2,144,697 |
| Less: Unrecognized tax benefits | (2,137,278) | (7,419) | - | (2,144,697) |
| Deferred tax assets (liabilities) | - | - | - | - |

22. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable and to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 13.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company have no investments in any asset-backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

| October 31, 2023 | <1 year | 1-3 years | Total |
|--|------------|-----------|------------|
| Accounts payable and accrued liabilities | \$ 459,330 | \$ - | \$ 459,330 |
| Loan payable | \$ 11,558 | \$ - | \$ 11,558 |
| October 31, 2022 | <1 year | 1-3 years | Total |
| Accounts payable and accrued liabilities | \$ 326,673 | \$ - | \$ 326,673 |
| Loan payable | \$ 11,244 | \$ - | \$ 11,244 |

Market Risk

The Company is exposed to risks from changes in interest rates, currency and other price that affect its future cash flows which will fluctuate because of changes in market prices.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

VANTEX RESOURCES LTD.

Notes to financial statements

For the year ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

22. FINANCIAL INSTRUMENTS *(continued)*

Foreign Exchange Risk

The Company currently does not have significant foreign exchange risk as almost all of its transactions are in Canadian dollars.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is exposed to other price risk through its investments in quoted shares for which the value fluctuates with the quoted market price.

Fair Value Measurements

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

The three levels of the fair value hierarchy are:

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

The fair value of investments is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at October 31, 2023, the Company believes that the carrying values of cash and cash equivalent, accounts payable and loan payable approximates its fair value because of their nature and relatively short maturity dates or durations.

23. CONTINGENCIES

The Company is partially financed through the issuance of flow-through shares, and according to tax rules regarding this type of financing, the Company is engaged to realize mining exploration work. These tax rules also set deadlines for carrying out the exploration work no later than the first of the following dates:

- Two years following the flow-through placements; and
- One year after the Company has renounced the tax deductions relating to the exploration work.

The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable. According to management, the Company is in conformity with the laws and regulations. Restoration costs will be accounted in net income of the year following a reasonable estimate of monetary impacts.

24. SUBSEQUENT EVENT

No subsequent event.