GENIUS METALS INC.

Financial Statements

Years ended
July 31, 2023 and 2022

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Independent Auditor's Report

To the Shareholders of
Genius Metals Inc.

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the 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

We draw attention to Note 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the "Material uncertainty related to going concern" section, we have determined that there are no other key audit matters to communicate in our auditor’s report.

Information other than the financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 International Financial Reporting Standards (IFRS), 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;

- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Raymond Chabot Grant Thornton LLP[1]

Montréal
November 23, 2023

[1] CPA auditor, public accountancy permit no. A127023

GENIUS METALS INC.

Statements of Financial Position

As at July 31, 2023 and 2022

(in Canadian dollars)

	Note	July 31 2023	July 31 2022
		$	$
Assets			
Current assets:			
Cash	5	890,117	373,265
Short-term investments	6	30,000	30,000
Marketable securities	7	54,000	5,000
Other receivables	8	519,422	353,668
Prepaid expenses		22,727	11,609
Total current assets		1,516,266	773,542
Non-current assets:			
Deposits related to exploration and evaluation activities		-	144,500
Property and equipment	9	1,088	3,462
Mining properties	10	1,601,655	1,161,812
Exploration and evaluation assets	11	3,930,376	3,189,635
Total non-current assets		5,533,119	4,499,409
Total assets		7,049,385	5,272,951
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities	12	780,506	186,282
Total current liabilities		780,506	186,282
Equity:			
Share capital	13	10,139,428	8,247,426
Warrants	13	206,960	634,869
Share options	14	715,824	618,848
Contributed surplus		1,327,247	692,378
Deficit		(6,120,580)	(5,106,852)
Total equity		6,268,879	5,086,669
Total liabilities and equity		7,049,385	5,272,951

Going concern, see Note 2.

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

These financial statements were approved and authorized for issue by the Board of Directors on November 23, 2023.

(S) Guy Goulet	(S) John Booth
Director	Director

GENIUS METALS INC.

Statements of Loss and Comprehensive Loss

Years ended July 31, 2023 and 2022

(in Canadian dollars)

	Note	July 31 2023	July 31 2022
		$	$
General and administrative expenses:			
Salaries and employee benefit expense		260,510	286,708
Management and consulting fees		184,260	205,009
Travel, promotion and marketing		195,711	246,543
Registration, listing fees and shareholders information		40,211	139,624
Professional fees		89,036	86,522
Supplies and office expenses		56,340	64,418
Share-based compensation	14	96,976	259,217
Write-down of mining properties	10	33,964	97,645
Write-down of exploration and evaluation assets	11	61,704	219,471
Part XII.6 tax		7,162	1,728
Depreciation of property and equipment		2,374	2,330
Operating loss before other revenues and income tax		1,028,248	1,609,215
Other (revenues) expenses:			
Gain on settlement/adjustment of trade accounts payable and other liabilities		-	(212,239)
Loss on settlement of loans		-	3,649
Finance expense	15	11,194	6,273
Change in fair value of marketable securities	7	77,000	8,750
Gain on disposal of mining properties		(102,711)	-
Exchange (gain) loss		(3)	466
Total other revenues		(14,520)	(193,101)
Loss before income tax		(1,013,728)	(1,416,114)
Income tax recovery	16	-	117,455
Net loss and comprehensive loss		(1,013,728)	(1,298,659)
Weighted average number of common shares outstanding		57,415,970	45,681,452
Basic and diluted loss per share:		(0.02)	(0.03)

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

GENIUS METALS INC.

Statements of Changes in Equity

Years ended July 31, 2023 and 2022

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Warrants	Share Options	Contributed surplus	Deficit	Total equity
			$	$	$	$	$	$
Balance as at July 31 2022		46,760,672	8,247,426	634,869	618,848	692,378	(5,106,852)	5,086,669
Shares and units issued:								
Private placements	13	23,440,000	965,040	206,960				1,172,000
Flow-through private placements	13	10,355,671	621,340					621,340
As consideration for the acquisition of mining properties	13	6,000,000	360,000					360,000
Share issuance costs	13		(54,378)					(54,378)
Warrants expired	13			(634,869)		634,869		-
Share-based compensation	14				96,976			96,976
Transaction with owners		86,556,343	10,139,428	206,960	715,824	1,327,247	(5,106,852)	7,282,607
Net loss and comprehensive loss for the year							(1,013,728)	(1,013,728)
Balance as at July 31 2023		86,556,343	10,139,428	206,960	715,824	1,327,247	(6,120,580)	6,268,879
Balance as at July 31 2021		33,791,184	6,058,664	652,080	359,631	196,051	(3,808,193)	3,458,233
Shares and units issued:								
Private placements	13	9,562,500	1,492,478	420,022				1,912,500
Flow-through private placements	13	3,383,238	806,091	59,094				865,185
As payment of consulting fees	13	23,750	6,175					6,175
Share issuance costs	13		(115,982)					(115,982)
Warrants expired				(496,327)		496,327		-
Share-based compensation	14				259,217			259,217
Transaction with owners		46,760,672	8,247,426	634,869	618,848	692,378	(3,808,193)	6,385,328
Net loss and comprehensive loss for the year							(1,298,659)	(1,298,659)
Balance as at July 31 2022		46,760,672	8,247,426	634,869	618,848	692,378	(5,106,852)	5,086,669

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

GENIUS METALS INC.

Statements of Cash Flows

Years ended July 31, 2023 and 2022

(in Canadian dollars)

	Note	July 31 2023	July 31 2022
		$	$
Operating activities:			
Net loss		(1,013,728)	(1,298,659)
Adjustments for:			
Income tax recovery		-	(117,455)
Consulting fees paid through issuance of shares		-	6,175
Change in fair value of marketable securities		77,000	8,750
Depreciation of property and equipment		2,374	2,330
Share-based compensation		96,976	259,217
Gain on settlement of trade accounts payable and other liabilities		-	(212,239)
Loss on settlement of loans		-	3,649
Effective interest on loans		-	3,548
Gain on disposal of mining properties		(102,711)	-
Write-down of mining properties		33,964	97,645
Write-down of exploration and evaluation assets		61,704	219,471
Operating activities before changes in working capital items		(844,421)	(1,027,568)
Change in other receivables		141,421	(58,703)
Change in prepaid expenses		(11,118)	22,902
Change in trade accounts payable and accrued liabilities		76,042	(91,697)
Change in working capital items		206,345	(127,498)
Cash flows used for operating activities		(638,076)	(1,155,066)
Financing activities:			
Proceeds from private placements		1,172,000	1,912,500
Proceeds from flow-through placements		621,340	982,640
Repayment of the loan		-	(40,000)
Share issuance costs		(48,684)	(115,982)
Cash flows from financing activities		1,744,656	2,739,158
Investing activities:			
Purchase of short-term investment		-	(15,000)
Acquisition of equipment		-	(1,717)
Acquisition of mining properties		(115,026)	(25,593)
Decrease in deposits related to exploration and evaluation activities		144,500	115,500
Increase in exploration and evaluation assets		(800,556)	(2,018,722)
Tax credits related to resources received		160,992	371,964
Mining tax credits received		20,362	47,062
Cash flows used for investing activities		(589,728)	(1,526,506)
Net change in cash		516,852	57,586
Cash, beginning of year		373,265	315,679
Cash, end of year		890,117	373,265

Additional disclosures of cash flows information (Note 17).

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

1. Reporting entity and nature of operations:

Genius Metals Inc. (hereafter the “Company” or “Genius Metals” or “GENI”) is engaged in the acquisition and exploration of mineral properties.

Genius Metals is a company domiciled in Canada. Genius Metals was incorporated on May 25, 2018 under the Canada Business Corporations Act. Genius Metals is a public company and was listed since October 31, 2018 on the Canadian Securities Exchange (“CSE”) and its trading symbol is "GENI". The Company has since listed on the TSX.V Stock Exchange (“TSXV”) trading under the symbol “GENI” and has begun trading solely on this exchange since September 30, 2021. On January 18, 2022, in addition to trading on the TSXV, its shares commenced also trading on the American Stock Exchange OTCQB Market under the symbol "GNSMF". On February 1st 2023, the Company’s shares were moved from the OTCQB Market to the OTC Pink Market where the shares are still trading under the symbol "GNSMF".

The Company's head office, which is also the main establishment is located at 22 Lafleur Avenue North, suite 203, Saint-Sauveur, Québec, Canada J0R 1R0 and its web site is www.geniusmetals.com.

2. Going concern:

The accompanying financial statements have been prepared on the basis of the going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company’s ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended July 31, 2023, the Company recorded a net loss of $1,013,728 ($1,298,659 for the year ended July 31, 2022) and had negative cash flows from operations of $638,076 ($1,155,066 for the year ended July 31, 2022). In addition, the Company had accumulated deficit of $6,120,580 as at July 31, 2023. Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at July 31, 2023, the Company had a working capital (total current assets less total current liabilities) of $735,760 (a working capital of $587,260 as at July 31, 2022) including cash of $890,117 ($373,265 in cash as at July 31, 2022). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the year ended July 31, 2023, the Company has raised $1,793,340 ($2,895,140 during the year ended July 31, 2022) from private placements consisting of common shares and flow-through shares to fund exploration works and working capital. There is no assurance that it will succeed in obtaining additional financing in the future. In September 2023, the Company concluded a private placement (See Note 22).

3. Basis of preparation:

3.1 Statement of compliance:

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to the preparation of annual financial statements. The accounting policies applied in these financial statements are based on IFRS issued and in effect as at year end.

3.2 Basis of measurement:

The financial statements have been prepared on the historical cost basis except for where IFRS requires recognition at fair value.

3.3 Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

3.4 Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Basis of preparation (continued):

(a) Significant management judgment:

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effects on the financial statements.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 4.14).

(b) Estimation uncertainty:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts or circumstances indicating an impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases (see Note 4.12).

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 units must be estimated.

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

Share-based compensation

The estimation of share-based compensation costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model (see Note 14).

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 source of estimation uncertainty.

Tax credits receivable

Tax calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, exploration and evaluation assets, and income tax expense in future periods (see Note 4.7).

4. Significant accounting policies:

The financial statements have been prepared using accounting policies set out by IFRS effective at the end of the year for submission of financial information. The significant accounting policies used in preparing these financial statements are summarized below.

4.1 Financial instruments:

(a) Recognition and derecognition:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

4. Significant accounting policies (continued):

4.1 Financial instruments (continued):

(a) Recognition and derecognition (continued):

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

(b) Classification and initial measurement of financial assets:

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI").

In the years presented, the Company does have marketable securities categorized as fair value through profit or loss and does not have any financial assets categorized through other comprehensive income.

The classification is determined by both:

- the entity’s business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance expense.

(c) Subsequent measurement of financial assets:

i) Financial assets at amortized cost:

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash, short-term investments and other receivables (except sales tax receivable, mining tax credits receivable and tax credits related to resources receivable) fall into this category of financial instruments.

ii) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category contains marketable securities in quoted companies. The Company accounts for the investments at FVTPL and did not make the irrevocable election to account for the investment listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirement of IFRS 9, which does not allowed for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

4.2 Impairment of financial assets:

IFRS 9’s impairment requirements use more forward-looking information to recognize expected credit losses – the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included other receivables (except sales tax receivable, mining tax credits receivable and tax credits related to resources receivable).

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

4. Significant accounting policies (continued):

4.3 Classification and measurement of financial liabilities:

The Company's financial liabilities include trade accounts payable and other liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

4.4 Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting loss attributable to common shareholders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include options and warrants. Dilutive potential common shares are deemed to have been converted into common shares at the average market price at the beginning of the year or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and share options. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Note 13 and Note 14.

4.5 Cash:

Cash consist of cash and other short-term highly liquid investments, easily convertible in a known amount of cash and subject to negligible risk of value impairment.

4.6 Marketable securities:

Marketable securities comprise of shares of other publicly trading companies and are recorded at fair value as of the date of the statement of financial position. The difference from the original cost base related to share of other public trading companies is recorded in net loss.

4.7 Tax Credit Relating to Resources and Mining Tax Credit:

The Company is entitled to refundable tax credits on eligible exploration expenses incurred and to refundable mining rights tax credits as duties under the law on the mining tax. These tax credits are recorded based on management's estimates and provided that the Company is reasonably certain that they will be collected. Tax credits are recorded as a reduction of the deferred exploration and evaluation expenses.

4.8 Property and equipment:

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof.

Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives are as follows:

Asset	Period
Computer equipment	3 years
Rolling stock	5 years

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

4.9 Mining Properties Options Agreements:

Options on interests in mining properties acquired by the Company are recorded at the value of the consideration paid, including other future benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for immediately. Expenditures are accounted for only when incurred by the Company.

When the Company sells interest in a mining property, it uses the carrying amount of the interest before the sale of the option as the carrying amount for the portion of the property retained, and credits any cash consideration received against the carrying of this portion (any excess is recognized as a gain in profit or loss).

4. Significant accounting policies (continued):

4.10 Grants:

Grants are recognized as a reduction of the related expenses or assets. The Company records these grants when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.11 Mining properties and exploration and evaluation assets:

Exploration and evaluation expenditures are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resources are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling, general expenses, financial charges, management fees and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts, the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

4.12 Impairment of mining properties, exploration and evaluation assets and property and equipment:

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.13 Provisions, contingent liabilities and contingent assets:

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes, decommissioning, restoration and similar liabilities, or onerous contracts.

4. Significant accounting policies (continued):

4.13 Provisions, contingent liabilities and contingent assets (continued):

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible, given that the Company's operations are still in the exploration and evaluation stage. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

As at July 31, 2023, the Company had no contingent liabilities and therefore no provision was recorded in the annual financial statements.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Income taxes:

When applicable, tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

However, since the Company is in the exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprise only of deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

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

Changes in deferred tax assets or liabilities are recognized as deferred income tax in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

Under the provisions of tax legislation relating to flow-through shares, the Company is required to renounce its right to tax deductions for expenses related to exploration activities to the benefit of the investors. When the Company has renounced to its tax deductions and has incurred its admissible expenditures, the sale of tax deductions is recognized in profit or loss as a reduction to deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of admissible expenditures capitalized as an asset and its tax base.

4.15 Share capital:

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs.

If shares are issued following the exercise of share options, or warrants, this account also includes the charge previously accounted to the warrants and share options accounts. Furthermore, if shares are issued following the acquisition of mining property or other non-financial assets, shares are valued at fair value of mining property on the day the agreement was concluded.

4.16 Unit placements:

The funds from unit placement are allocated between shares and warrants using the relative fair value method. The fair value of the common shares is recognized in equity based on the share price at the date of issue. The fair value of the warrants is determined using the Black-Scholes valuation model and is recorded separately under "warrants".

(in Canadian dollars)

4. Significant accounting policies (continued):

4.17 Flow-through placements:

Issuance of flow-through shares represents in substance an issue of ordinary shares and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities related of flow-through financings in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital and other liabilities related of flow-through financings using the residual method. Proceeds are first allocated to shares according to the quoted price of shares at the time of issuance and the residual proceeds, if any, are allocated to other liabilities. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

The proceeds received from flow-through units are allocated between share capital, warrants and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and the residual proceeds are allocated to warrants and to the liability, allocating a first amount to warrant measured at fair value using Black-Scholes model.

4.18 Other elements of equity:

Warrants and share options accounts include unrealized charges related to share options and warrants until they are exercised, if applicable. Contributed surplus includes compensation expense related to share options and warrants not exercised and expired.

Deficit includes all current and prior year retained losses.

4.19 Equity-settled share-based compensation:

The Company has an equity-settled share-based compensation plan for its eligible directors, employees and consultants. The Company's plan is not cash-settled.

All goods and services received in exchange for the grant of any share-based compensations are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, it must measure their value indirectly by reference to the fair value of the equity instruments granted.

For transactions with employees and with parties providing similar services, the Company evaluates the fair value of services received by reference to the fair value of equity instruments granted.

All equity-settled share-based compensation (except warrants to brokers) are ultimately recognized as an expense in the profit or loss with a corresponding credit to the Share options account. Equity-settled share-based compensation to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to warrants, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.20 Segment reporting:

The Company presents and discloses segment information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.

The Company has only one operating segment which consist in the mining activities. All non-current assets are in Canada.

4.21 New standards and interpretations that are not yet effective and have not been adopted:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

5. Cash:

	July 31 2023	July 31 2022
	$	$
Cash	890,117	373,265
	890,117	373,265

(in Canadian dollars)

5. Cash (continued):

Funds reserved for exploration and evaluation expenditures:

On August 27, 2021, the Company completed two flow-through private placements of $982,640. The Company has until December 31, 2022 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at July 31, 2023, the Company has fulfilled its obligation by incurring an amount of $982,640 in exploration and evaluation expenditures before December 31, 2022 (completed during the quarter ended July 31, 2022).

On November 28, 2022 and December 13, 2022, the Company completed two flow-through private placements of $378,020. The Company has until December 31, 2023 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at July 31, 2023, the Company incurred an amount of $84,936 in exploration and evaluation expenditures and consequently has the obligation to incur the amount of $293,084 in exploration and evaluation expenditures before December 31, 2023.

On June 29, 2023, the Company completed a flow-through private placement of $243,320. The Company has until December 31, 2024 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at July 31, 2023, the Company did not incur any exploration and evaluation expenditures and consequently has the obligation to incur the amount of $243,320 in exploration and evaluation expenditures before December 31, 2024.

There is no guarantee that the Company's exploration and evaluation expenditures will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

6. Short-term investments:

	July 31 2023	July 31 2022
	$	$
Guaranteed investment certificate, 0.75 % maturing in October 2023 is used as guarantee for credit cards	30,000	-
Guaranteed investment certificate, 0.10 % maturing in October 2022 is used as guarantee for credit cards	-	30,000
	30,000	30,000

7. Marketable securities in quoted companies:

	Number of shares				Carrying value				
	July 31 2022	Acquisition	Disposition	July 31 2023	July 31 2022	Acquisition	Disposition	Change in fair value	July 31 2023
					$	$	$	$	$
Shares									
NSAU [1]	250,000	-	-	250,000	5,000	-	-	(5,000) [2]	-
CMET [3]	-	720,000 [4]	-	720,000	-	126,000 [4]	-	(72,000)	54,000
	250,000	720,000	-	970,000	5,000	126,000	-	(77,000)	54,000

	Number of shares				Carrying value				
	July 31 2021	Acquisition	Disposition	July 31 2022	July 31 2021	Acquisition	Disposition	Change in fair value	July 31 2022
					$	$	$	$	$
Shares									
NSAU [1]	250,000	-	-	250,000	13,750	-	-	(8,750)	5,000
	250,000	-	-	250,000	13,750	-	-	(8,750)	5,000

(1) MegumaGold Corp. - CNSX - Symbol "NSAU"
(2) On November 16, 2022, the shares of MegumaGold Corp. have been delisted from the Canadian Stock Exchange.
(3) Clarity Metals Corp. - CNSX - Symbol "CMET"
(4) On December 29, 2022, the Company received 720,000 shares of Clarity Metals Corp. measured at its fair value of $126,000 (Note 10 - Lithium381 (formerly KM381) option agreement).

(in Canadian dollars)

8. Other receivables:

	July 31 2023	July 31 2022
	$	$
Other receivable	5,753	-
Sales tax receivable	25,140	172,314
Mining tax credits receivable	54,841	20,362
Tax credits related to resources receivable	433,688	160,992
	519,422	353,668

9. Property and equipment:

	Computer equipment	Rolling stock	Total
	$	$	$
Cost			
As at July 31, 2021	-	9,000	9,000
Acquisitions	1,717	-	1,717
As at July 31, 2022	1,717	9,000	10,717
Acquisitions	-	-	-
As at July 31, 2023	1,717	9,000	10,717
Accumulated depreciation			
As at July 31, 2021	-	4,925	4,925
Depreciation	530	1,800	2,330
As at July 31, 2022	530	6,725	7,255
Depreciation	572	1,802	2,374
As at July 31, 2023	1,102	8,527	9,629
Net book value			
As at July 31, 2022	1,187	2,275	3,462
As at July 31, 2023	615	473	1,088

10. Mining properties:

Mining properties can be detailed as follows:

	July 31 2022	Acquisition	Licences & permits	Impairment	Disposition	July 31 2023
	$	$	$	$	$	$
Gold Properties:						
Sakami - QC	689,579	-	45,306	-	-	734,885
Iserhoff - QC	102,959	-	-	-	-	102,959
Meaghers - NS	7,204	-	2,813	(10,017)	-	-
Blockhouse - NS	22,750	-	187	(22,937)	-	-
Total Gold Properties	822,492	-	48,306	(32,954)	-	837,844
Base Metals:						
A Lake - NB	-	-	870	(870)	-	-
A Lake Extension - NB	140	-	-	(140)	-	-
Total Base Metals	140	-	870	(1,010)	-	-
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	327,258	-	9,205	-	-	336,463
Lithium381 - QC	11,922	-	188	-	(12,110)	-
Paka - QC	-	427,348	-	-	-	427,348
Total Industrials & High-Tech Metals	339,180	427,348	9,393	-	(12,110)	763,811
Grand total	1,161,812	427,348	58,569	(33,964)	(12,110)	1,601,655

(in Canadian dollars)

10. Mining properties (continued):

	July 31 2021	Acquisition	Licences & permits	Impairment	Disposition	July 31 2022
	$	$	$	$	$	$
Gold Properties:						
Sakami - QC	672,551	-	17,028	-	-	689,579
Iserhoff - QC	105,217	-	2,765	(5,023)	-	102,959
Meaghers - NS	4,704	-	2,500	-	-	7,204
Blockhouse - NS	22,290	-	460	-	-	22,750
Kemptville - NS	5,955	-	-	(5,955)	-	-
Chocolate Lake - NS	7,649	-	-	(7,649)	-	-
Gold River - NS	1,905	-	-	(1,905)	-	-
Total Gold Properties	820,271	-	22,753	(20,532)	-	822,492
Base Metals:						
A Lake - NB	76,243	-	870	(77,113)	-	-
A Lake Extension - NB	-	-	140	-	-	140
Total Base Metals	76,243	-	1,010	(77,113)	-	140
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	327,258	-	-	-	-	327,258
Lithium381 - QC	11,922	-	-	-	-	11,922
Total Industrials & High-Tech Metals	339,180	-	-	-	-	339,180
Grand total	1,235,694	-	23,763	(97,645)	-	1,161,812

Sakami Property (Gold):

The Property is located in the James Bay area of the Province of Québec. The property straddles the contact between Opinaca and La Grande geological sub-provinces over a distance of 35 km. The gold property comprises 588 mining claims (30,234 Hectares).

Iserhoff Property (Gold):

On November 13, 2018, the Company acquired a 100% interest in Iserhoff Property from an independent prospector (former consultant) by issuing on November 23, 2018, 500,000 common shares at a price of $0.24 per share for a consideration of $120,000. The Property is subject to a 2% net smelter returns royalty (NSR) on production, of which 1% may be purchased at any time by the Company for $1,000,000 at any time. The Iserhoff Property is located in the northern Abitibi Greenstone belt, Québec in the central and western areas of Bergères Township, about 55 km NNE of Lebel-sur-Quévillion, Québec. The gold property comprises 41 mining claims totaling 2,293 hectares which will be 100% owned by Genius Metals. The property can be accessed by a network of forestry roads some of which join provincial highway 113 connecting Lebel-sur-Quévillion with Chibougamau. During the year ended July 31, 2022, the Company abandoned 2 claims and wrote down a part of the cost of the Iserhoff property ($5,023 in mining properties and $10,573 in exploration and evaluation assets).

Meaghers (Gold):

The Meaghers property is located in South-Central Nova Scotia within the Halifax County, 39 km NE from the Halifax-Dartmouth conglomeration. The property consists of a continuous block of seven licenses, 100% owned by the Company, comprising 100 claims. Access from Halifax-Dartmouth urban center to the western end of the property is by a paved road system, whereas several secondary roads crisscross the entire Meaghers property.

On December 4, 2019, the Company has entered into a option agreement with MegumaGold Corp. ("MGC"), whereby MGC may earn a 49.9% interest in a first option and an additionnal 21.1% interest in a second option for a total of 71.0% interest in the Meaghers Property. On June 4, 2021, MGC acquired the 49.9% interest by meeting the conditions of the first option as per the option agreement. On October 11, 2022, the Company confirmed that MGC did not meet the commitment as per the timeline of the Agreement for its second option.

During the year ended July 31, 2023, the Company wrote down to $Nil the cost of the Meaghers property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy ($10,017 in mining properties and $2,051 in exploration and evaluation assets).

MegumaGold holds 49.9% of the Meaghers property since June 4, 2021.

Nova Scotia properties (Gold):

Nova Scotia properties consisted of the following properties: Blockhouse Gold (23 claims), Kemptville NS (10 claims), Chocolate Lake NS (6 claims) and Gold River NS (1 claim). The properties are subject to a 1.5% NSR of which two-thirds (2/3) may be purchased at any time by the Company for $1,000,000. During the year ended July 31, 2022, the Company wrote down to $Nil the cost of the Kemptville NS, Chocolate Lake NS and Gold River NS properties and the exploration and evaluation expenditures incurred, as they no longer fit the Company's development strategy ($15,509 in mining properties and $10,004 in exploration and evaluation assets). During the year ended July 31, 2023, the Company wrote down to $Nil the cost of the Blockhouse Gold property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy ($22,937 in mining properties and $46,094 in exploration and evaluation assets).

(in Canadian dollars)

10. Mining properties (continued):

A-Lake Property (Copper-Tin-Zinc):

On January 21, 2019 and amended on July 6, 2021, the Company has entered into an option agreement (the “Agreement”) with Atlantic Vanadium Corporation (“AVC”) to acquire 100% of the A-Lake (Cu-Sn-Zn) Property in New-Brunswick.

On October 11, 2022, the Company confirmed that it has not met the exploration expenses commitment as per the Agreement and wrote down to $Nil the cost of the A-Lake property and the exploration and evaluation expenditures incurred, as they no longer fit the Company's development strategy ($77,113 in mining properties and $198,894 in exploration and evaluation assets during the year ended July 31,2022 and $870 in mining properties and $12,565 in exploration and evaluation assets during the year ended July 31, 2023).

Dissimieux Lake (Phosphate):

The property consists of 70 claims covering 3,887 hectares, and is accessible via Provincial Highway #138 from Forestville, then driving northward on Highway #385 to Labrieville, and from there using a network of secondary gravel forestry roads to reach the east-southeast shore of Dissimieux Lake. The Property hosts titanium-phosphate (ilmenite-apatite) mineralization. The Property is dominated by steep hills, with elevations ranging from 435 m to 700 m above sea level. During the year ended July 31, 2023, the Company acquired 55 additional claims.

Lithium381 (formerly KM381):

The Lithium381 property consists of 21 mining claims (1,108 Hectares). The property is located in the James Bay Eeyou Istchee territory, Quebec, Canada, approximately 3km NE from the James Bay Road (Billy-Diamond Highway) and the KM381 service station, which serves as an infrastructure for the local area.

On December 6, 2022, the Company has entered into an option agreement (the “Agreement”) with Clarity Gold Corp. (“Clarity”) to acquire 50% of the Lithium381 Property in Québec. Following the exercise of the option for the acquisition of the 50% interest by Clarity, a joint venture will be created by the Company and Clarity as per a 50% share each.

To earn its 50% interest, Clarity must issued shares and incurred exploration expenses in the following timelines:

	Shares	Exploration expenses
		$
On December 29, 2022	720,000 (1)	-
On or before December 31, 2024	-	750,000
	720,000	750,000

(1) These common shares were issued on December 29, 2022 at a price of $0.175 per share. The shares will be released in tranches of 90,000 shares every 4 months beginning on April 29, 2023 and ending on August 29, 2025. The consideration received on December 29, 2022 (720,000 shares of Clarity valued at $126,000) was recorded as a reduction of the mining properties and the exploration and evaluation assets of $12,110 and $11,180 respectively and consequently resulting in a gain on disposal of 50% of the mining properties of $102,711.

Paka (Lithium):

On June 27, 2023, the Company signed a Sales and Purchase Agreement with one individual in order to acquire a 100% interest in 189 contiguous claims covering 9,700 Hectares.

The property is subject to a 2% net smelter returns royalty (NSR) on production in favour of the vendor which can be bought back entirely or in two tranches of 1% by paying an amount of 1,000,000$ per tranche of 1%, for total cash consideration of $2,000,000.

To earn its 100% interest, the Company must make a cash payment and issue shares in the following timelines:

	Cash payments	Shares
	$	$
On June 27, 2023	60,000 (1)	-
On or before July 27, 2023	-	6,000,000 (2)
	60,000	6,000,000

(1) The cash payment was made on July 11, 2023..

(2) These common shares were issued on July 6, 2023 at a price of $0.06 per share for a value of $360,000. The shares will be released on July 6, 2024.

(in Canadian dollars)

11. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

	July 31 2023	July 31 2022
	$	$
Exploration and evaluation costs:		
Drilling	1,018,086	626,442
Geology	4,194	18,845
Prospecting	73,178	434,793 (1)
Geophysics	12,565	228,414
Geochemistry	750	-
Stripping	-	6,933
Line cutting	-	47,949
Reporting	-	1,030
General field expenses	193,381	174,028
Other item:		
Tax credits related to resources and mining tax credits	(488,529)	(181,354)
Disposition	(11,180)	-
Impairment	(61,704)	(219,471)
	740,741	1,137,609
Balance, beginning of year	3,189,635	2,052,026
Balance, end of year	3,930,376	3,189,635

Exploration and evaluation assets by properties are detailed as follows:

	July 31 2022	Exploration costs	Tax credits	Impairment	Disposition	July 31 2023
	$	$	$	$	$	$
Gold Properties:						
Sakami - QC	2,857,931	1,249,429	(484,013)	-	-	3,623,347
Iserhoff - QC	266,792	9,845	-	-	-	276,637
Meaghers - NS	2,051	-	-	(2,051)	-	-
Blockhouse - NS	44,794	1,300	-	(46,094)	-	-
Total Gold Properties	3,171,568	1,260,574	(484,013)	(48,145)	-	3,899,984
Base Metals:						
A Lake - NB	-	12,565	-	(12,565)	-	-
A Lake Extension - NB	-	994	-	(994)	-	-
Total Base Metals	-	13,559	-	(13,559)	-	-
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	17,938	4,725	-	-	-	22,663
Lithium381 - QC	129	20,796	(4,516)	-	(11,180)	5,229
Paka - QC	-	2,500	-	-	-	2,500
Total Industrials & High-Tech Metals	18,067	28,021	(4,516)	-	(11,180)	30,392
Grand total	3,189,635	1,302,154	(488,529)	(61,704)	(11,180)	3,930,376

(in Canadian dollars)

11. Exploration and evaluation assets (continued):

	July 31 2021	Exploration costs	Tax credits	Impairment	Disposition	July 31 2022
	$	$	$	$	$	$
Gold Properties:						
Sakami - QC	1,575,629	1,463,592	(181,290)	-	-	2,857,931
Iserhoff - QC	277,241	188	(64)	(10,573)	-	266,792
Meaghers - NS	2,051	-	-	-	-	2,051
Blockhouse - NS	44,794	-	-	-	-	44,794
Kemptville - NS	6,198	-	-	(6,198)	-	-
Chocolate Lake - NS	3,575	-	-	(3,575)	-	-
Gold River - NS	231	-	-	(231)	-	-
Total Gold Properties	1,909,719	1,463,780	(181,354)	(20,577)	-	3,171,568
Base Metals:						
A Lake - NB	125,840	73,054 (1)	-	(198,894)	-	-
Total Base Metals	125,840	73,054	-	(198,894)	-	-
Industrials & High-Tech Metals:						
Dissimieux Lake - QC	16,338	1,600	-	-	-	17,938
Lithium381 - QC	129	-	-	-	-	129
Total Industrials & High-Tech Metals	16,467	1,600	-	-	-	18,067
Grand total	2,052,026	1,538,434	(181,354)	(219,471)	-	3,189,635

(1) A contribution of $ 10,471 from the Government of New Brunswick has been recorded as a reduction of exploration and evaluation assets ($10,471 against prospecting activity).

12. Trade accounts payable and other liabilities:

Trade accounts payable and other liabilities recognized in the statements of financial position can be analyzed as follows:

	July 31 2023	July 31 2022
	$	$
Current		
Trade accounts payable	746,807	163,946
Accrued liabilities	33,699	22,336
	780,506	186,282

13. Share capital and warrants:

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares, without par value, issuable in series.

(b) Issued and outstanding:

2023:

On November 28 2022, the Company concluded a private placement by issuing 5,650,000 units at a price of $0.05 per unit for net proceeds of $274,868 after deducting share issuance costs of $7,632. There was no finder fee and no commission paid in connexion with this private placement. Each unit consists of one common share and one warrant for a total of 5,650,000 common shares and 5,650,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.15 until November 28, 2024. These warrants have been recorded at a value of $32,510 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

On November 28, 2022, the Company concluded a private placement by issuing 5,866,999 flow-through shares at a price of $0.06 per share for net proceeds of $332,442 after deducting share issuance costs of $19,578. There were $11,340 of finder's fees paid in connection with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

13. Share capital and warrants:

(b) Share capital and warrants (continued):

2023 (continued):

On December 13 2022, the Company concluded a private placement by issuing 600,000 units at a price of $0.05 per unit for net proceeds of $28,676 after deducting share issuance costs of $1,324. There was no finder fee and no commission paid in connexion with this private placement. Each unit consists of one common share and one warrant for a total of 600,000 common shares and 600,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.15 until December 13, 2024. These warrants have been recorded at a value of $3,505 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

On December 13, 2022, the Company concluded a private placement by issuing 433,340 flow-through shares at a price of $0.06 per share for net proceeds of $24,653 after deducting share issuance costs of $1,347. There was no finder fee and no commission paid in connexion with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

On June 29, 2023, the Company concluded a private placement by issuing 17,190,000 units at a price of $0.05 per unit for net proceeds of $839,576 after deducting share issuance costs of $19,924. There were $6,650 of finder's fees paid in connexion with this private placement. Each unit consists of one common share and one warrant for a total of 17,190,000 common shares and 17,190,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.10 until June 29, 2025. These warrants have been recorded at a value of $170,945 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

On June 29, 2023, the Company concluded a private placement by issuing 4,055,332 flow-through shares at a price of $0.06 per share for net proceeds of $238,747 after deducting share issuance costs of $4,573. There was no finder's fee and no commission paid in connexion with this private placement. There was no premium paid by the investors related to flow-through shares based on the residual value method.

On July 6, 2023, the Company issued 6,000,000 common shares valued at $360,000 for the acquisition of the Paka property (See Note 10).

2022:

On August 16, 2021, the Company issued to service providers 23,750 common shares valued at $6,175 for business development consultancy.

On August 27 2021, the Company concluded a private placement by issuing 7,062,500 units at a price of $0.20 per unit for net proceeds of $1,381,003 after deducting share issuance costs of $31,497. A finder's fee of $30,800 was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 7,062,500 common shares and 7,062,500 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.35 until February 27, 2023. These warrants have been recorded at a value of $314,873 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

On August 27, 2021, the Company concluded a private placement by issuing 1,616,571 flow-through shares at a price of $0.28 per unit for net proceeds of $430,814 after deducting share issuance costs of $21,826. A finder's fee of $21,000 was paid in connection with this private placement. An amount of $64,663 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method.

On August 27, 2021, the Company concluded a private placement by issuing 1,766,667 flow-through units at a price of $0.30 per unit for net proceeds of $499,067 after deducting share issuance costs of $30,933. A finder's fee of $30,000 was paid in connection with this private placement. Each unit consists of one flow-through share and one-half warrant for a total of 1,766,667 flow-through shares and 883,333 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.40 until February 27, 2023. These warrants have been recorded at a value of $59,094 based on the Black-Scholes option pricing model using the assumptions described below (Note 13 (c)). An amount of $52,792 representing the premium paid by the investors was recorded in liability related to flow-through shares based on the residual value method.

On September 10 2021, the Company concluded a private placement by issuing 1,000,000 units at a price of $0.20 per unit for net proceeds of $187,310 after deducting share issuance costs of $12,690. No commission or finder's fee was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,000,000 common shares and 1,000,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.35 until March 10, 2023. These warrants have been recorded at a value of $42,457 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

On September 16 2021, the Company concluded a private placement by issuing 1,500,000 units at a price of $0.20 per unit for net proceeds of $280,964 after deducting share issuance costs of $19,036. No commission or finder's fee was paid in connection with this private placement. Each unit consists of one common share and one warrant for a total of 1,500,000 common shares and 1,500,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.35 until March 16, 2023. These warrants have been recorded at a value of $62,692 based on the Black-Scholes option pricing model using the assumptions described below. (Note 13 (c)).

(in Canadian dollars)

13. Share capital and warrants (continued):

(c) Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	July 31 2023		July 31 2022	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		$		$
Outstanding at beginning	14,995,333	0.35	16,004,683	0.33
Granted	23,440,000	0.11	10,445,833	0.35
Expired	(14,995,333)	0.35	(11,455,183)	0.32
Outstanding at end	23,440,000	0.11	14,995,333	0.35

The following table provides outstanding warrants information as at July 31, 2023:

	Outstanding warrants		
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
November 28, 2024	5,650,000	0.15	1.3
December 13, 2024	600,000	0.15	1.4
June 29, 2025	17,190,000	0.10	1.9
	23,440,000	0.11	1.8

The following table provides outstanding warrants information as at July 31, 2022:

	Outstanding warrants		
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
October 16, 2022	2,050,000	0.35	0.2
October 29, 2022	1,349,500	0.35	0.3
January 6, 2023	1,150,000	0.35	0.4
February 27, 2023	7,062,500	0.35	0.6
February 27, 2023	883,333	0.40	0.6
March 10, 2023	1,000,000	0.35	0.6
March 17, 2023	1,500,000	0.35	0.6
	14,995,333	0.35	0.5

The following table provides the weighted average fair value of warrants granted:

	July 31 2023	July 31 2022
	$	$
Weighted average fair value of warrants granted	0.0088	0.0459

The fair value of each warrant granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	July 31 2023	July 31 2022
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	$0.061	$0.238
Weighted average expected volatility (1)	66.93%	83.89%
Weighted average risk-free interest rate	4.46%	0.44%
Weighted average exercise price at grant date	$0.113	$0.354
Weighted average expected life	2.0 years	1.5 years

(1) Since July 2020, the volatility is based on the historical stock price of the Company.

(in Canadian dollars)

14. Share-based compensation:

(a) Share option plan:

The Company has a share option plan “The Plan” , amended on July 27, 2023, whereby the Board of Directors, may grant to directors, officers or consultants of the Company, options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a share option plan reserving a maximum of 8,600,000 share options of the Company, with a vesting period allowed of zero to a period fixed by the Board of Directors, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares.

The exercise price of any option granted under The Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed ten years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee or consultant of the Company.

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

		July 31 2023		July 31 2022
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		$		$
Outstanding at beginning	4,380,000	0.29	2,500,000	0.27
Granted	2,200,000	0.10	1,880,000	0.31
Outstanding at end	6,580,000	0.23	4,380,000	0.29
Exercisable at end	6,580,000	0.23	4,267,500	0.29

The following table provides outstanding share options information as at July 31, 2023:

				Outstanding share options
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			$	(years)
August 31, 2023	280,000	280,000	0.30	0.1
March 6, 2024	1,025,000	1,025,000	0.25	0.6
March 23, 2024	225,000	225,000	0.25	0.7
May 18, 2024	100,000	100,000	0.25	0.8
September 16, 2024	320,000	320,000	0.30	1.1
September 16, 2024	450,000	450,000	0.35	1.1
August 31, 2025	870,000	870,000	0.30	2.1
September 16, 2026	1,110,000	1,110,000	0.30	3.1
July 27, 2028	2,200,000	2,200,000	0.10	5.0
	6,580,000	6,580,000	0.23	2.7

The following table provides outstanding share options information as at July 31, 2022:

				Outstanding share options
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			$	(years)
August 31, 2023	280,000	280,000	0.30	1.1
March 6, 2024	1,025,000	1,025,000	0.25	1.6
March 23, 2024	225,000	225,000	0.25	1.7
May 18, 2024	100,000	100,000	0.25	1.8
September 16, 2024	320,000	320,000	0.30	2.1
September 16, 2024	450,000	337,500	0.35	2.1
August 31, 2025	870,000	870,000	0.30	3.1
September 16, 2026	1,110,000	1,110,000	0.30	4.1
	4,380,000	4,267,500	0.29	2.6

(in Canadian dollars)

14. Share-based compensation (continued):

(a) Share option plan (continued):

The following table provides the weighted average fair value of share options granted:

	July 31 2023	July 31 2022
	$	$
Weighted average fair value of share options granted	0.0433	0.1388

The fair value of each share option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	July 31 2023	July 31 2022
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	$0.07	$0.23
Weighted average expected volatility [1]	83.00%	93.35%
Weighted average risk-free interest rate	4.00%	0.73%
Weighted average exercise price at grant date	$0.100	$0.312
Weighted average expected life	5.00 years	4.18 years

(1) The volatility was determined in comparison with the volatility of comparable publicly traded companies.

An amount of $96,976 of share-based compensation was accounted for in the statement of loss and comprehensive loss for the year ended July 31, 2023 ($259,217 for the year ended July 31, 2022). As at July 31, 2023, there was no amount ($1,716 for the year ended July 31, 2022) remains to be amortized related to the grant of stock options not vested.

15. Finance expenses:

Finance expenses recognized in the net loss of the years is as follows:

	July 31 2023	July 31 2022
	$	$
Bank charges & other interest	11,194	2,725
Effective interest on loans	-	3,548
Finance expense	11,194	6,273

16. Income taxes:

(a) Relationship between expected tax expense and accounting profit or loss:

The effective income tax rate of the Company differs from the combined federal and provincial income tax rate in Canada. This difference results from the following items:

	July 31 2023	July 31 2022
	$	$
Loss before income taxes	(1,013,728)	(1,416,114)
Expected tax expense calculated using the combined federal and provincial income tax rate in Canada	26.50%	26.50%
Expected income tax recovery	(268,638)	(375,270)
Changes in unrecorded temporary differences	226,870	109,672
Tax effect on flow-through shares	22,365	260,400
Reversal of other liability related to flow-through shares	-	(117,455)
Share-based compensation	25,699	68,693
Other non-deductible expenses	(6,296)	(63,495)
Deferred income tax recovery	-	(117,455)

(in Canadian dollars)

16. Income taxes (continued):

(b) Composition of deferred income taxes expense (recovery) in the statement of comprehensive loss:

	July 31 2023	July 31 2022
	$	$
Inception and reversal of temporary differences	(249,235)	(370,072)
Changes in unrecorded temporary differences	226,870	109,672
Tax effect on flow-through shares	22,365	260,400
Reversal of other liability related to flow-through shares	-	(117,455)
Deferred income tax recovery	-	(117,455)

(c) Movement in recognized deferred tax assets and liabilities during the year:

	July 31 2022	Recognized in profit or loss	Foreign exchange	July 31 2023
	$	$	$	$
Exploration and evaluation assets	(485,554)	2,805	-	(482,749)
Non-capital losses	485,554	(2,805)	-	482,749
	-	-	-	-
Reversal of other liability related to flow-through shares		-		
Deferred income tax recovery of the year		-		

	July 31 2021	Recognized in profit or loss	Foreign exchange	July 31 2022
	$	$	$	$
Exploration and evaluation assets	(294,879)	(190,675)	-	(485,554)
Non-capital losses	294,879	190,675	-	485,554
	-	-	-	-
Reversal of other liability related to flow-through shares		117,455		
Deferred income tax recovery of the year		117,455		

(d) Unrecognized deductible temporary differences:

Unrecognized deductible differences for which the Company has not recognized a deferred tax asset are presented in the following tables. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize benefits therefrom.

		July 31 2023		July 31 2022
	Federal	Québec	Federal	Québec
				$
Property and equipment	155,339	155,339	152,965	152,965
Marketable securities	52,563	52,563	14,063	14,063
Mining properties	1,406,981	1,434,514	1,487,047	1,514,580
Share issuance costs	130,728	130,728	137,672	137,672
Non-capital losses carryforwards	2,090,508	2,081,654	1,184,282	1,179,835
	3,836,119	3,854,798	2,976,029	2,999,115

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, deferred tax assets have not been recognized, these deferred tax assets not recognized equal an amount of $1,018,719.

(in Canadian dollars)

16. Income taxes (continued):

(e) Non-capital losses:

The Company has the following non-capital losses which are available to reduce income taxes in future years and on which no deferred tax asset was recognized. They expire as follow:

	Federal	Québec
	$	$
2041	113,539	110,711
2042	1,081,328	1,079,709
2043	895,641	891,234
	2,090,508	2,081,654

17. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

	July 31 2023	July 31 2022
	$	$
Non-cash financing activities:		
Shares issued in consideration of mining properties	360,000	-
Shares issued as payment of expenses	-	6,175
Share issuance costs in trade accounts payable and other liabilities	5,694	-
Non-cash investing activities:		
Marketable securities received on optioning of mining properties	126,000	-
Mining properties in trade accounts payable and accrued liabilities	12,720	1,831
Exploration and evaluation assets in trade accounts payable and accrued liabilities	604,831	103,233

18. Related party transactions:

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	July 31 2023	July 31 2022
	$	$
Management and consulting fees	88,000 (1)	111,000
Salaries and director's fees	227,863	267,710
Share-based compensation	73,610	179,776
	389,473	558,486

(1) As at July 31, 2023, trade accounts payable and other liabilities include an amount of $9,198 ($Nil as at July 31, 2022) due to a company controlled by a director and CEO.

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

A director of the Company is a partner in a law firm that offers legal services to Genius Metals. As at July 31, 2023, trade accounts payable and other liabilities include an amount of $12,012 due to this related party ($Nil as at July 31, 2022). The following table provides a summary of the expenses charged from the law firm:

	July 31 2023	July 31 2022
	$	$
Legal fees	32,338	50,183
Share issuance cost	21,437	13,782
Transaction costs for the acquisition of the Paka property (See Note 10)	4,488	-
	58,263	63,965

(in Canadian dollars)

18. Related party transactions (continued):

A company controlled by the Vice-President Exploration offers consulting services to Genius Metals. As at July 31, 2023, trade accounts payable and other liabilities include an amount of $5,749 ($5,749 as at July 31, 2022) due to this related party. The following table provides a summary of the services charged from the company controlled by the Vice-President Exploration:

	July 31 2023	July 31 2022
	$	$
Management and consulting fees	22,000	14,771
Exploration and evaluation assets	38,000	45,234
	60,000	60,005

A company which two of its directors are also directors of the Company, offers back-office services to Genius Metals. As at July 31, 2023, there was no trade accounts payable and other liabilities ($28,169 as at July 31, 2022) due to this related party. The following table provides a summary of the services charged from the company to Genius Metals:

	July 31 2023	July 31 2022
	$	$
Salaries	24,000	16,337
Supplies and office expenses	18,000	32,945
	42,000	49,282

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

19. Financial assets and liabilities:

The carrying amount and fair value of financial instruments presented in the statements of financial position related to the following classes of assets and liabilities:

		July 31 2023		July 31 2022
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities	54,000	54,000	5,000	5,000
	54,000	54,000	5,000	5,000
Financial assets				
Amortized cost				
Cash	890,117	890,117	373,265	373,265
Short-term investment	30,000	30,000	30,000	30,000
	925,870	925,870	403,265	403,265

		July 31 2023		July 31 2022
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial liabilities				
Amortized cost				
Trade accounts payable and accrued liabilities	773,294	773,294	184,504	184,504
	773,294	773,294	184,504	184,504

The fair values of the marketable securities totalize $54,000 as at July 31, 2023 ($5,000 as at July 31, 2022) and are determined by using the closing price at each reporting date. (see Note 7) .

The fair value of cash, short-term investments and trade accounts payable and other liabilities is comparable to its carrying amount given the short period to maturity, i.e. the time value of money is not significant.

(in Canadian dollars)

19. Financial assets and liabilities (continued):

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The techniques and evaluation methods used to measure fair value were not changed compared to previous years.

			July 31 2023
	Level 1	**Level 2**	**Level 3**
	$	$	$
Marketable securities			
Fair value through profit or loss (FVTPL)	54,000	-	-
	54,000	-	-

			July 31 2022
	Level 1	**Level 2**	**Level 3**
	$	$	$
Marketable securities			
Fair value through profit or loss (FVTPL)	5,000	-	-
	5,000	-	-

20. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

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 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 or 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 are presented 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 the amount should be used for exploration work. As at July 31, 2023, the Company has the obligation to incur $293,084 in exploration expenditures no later than December 31, 2023 and $243,320 in exploration expenditures no later than December 31, 2024 in order to comply with the requirements of flow-through private placements concluded in November 2022, December 2022 and June 2023 (see Note 5).

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 to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

	July 31 2023	July 31 2022
	$	$
Equity	6,268,879	5,086,669
	6,268,879	5,086,669

(in Canadian dollars)

21. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

(a) Credit risk:

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company’s maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and short-term investment is considered negligible, since the counterparty which holds the cash is a reputable bank with excellent external credit rating.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

In previous years, the Company has financed its acquisitions of mining rights, exploration and evaluation assets and working capital needs through private financings consisting of issuance of common shares and flow-through shares. Management estimates that the cash as at July 31, 2023 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 2).

Contractual maturities of financial liabilities are as follows:

				July 31 2023
	Less than 1 year	1-5 years	More than 5 years	$ Total
	$	$	$	$
Trade accounts payable and accrued liabilities	773,294	-	-	773,294

				July 31 2022
	Less than 1 year	1-5 years	More than 5 years	$ Total
	$	$	$	$
Trade accounts payable and accrued liabilities	184,504	-	-	184,504

(d) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in a quoted mining exploration company. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, a weighted average volatility of 102.80% has been observed during the year ended July 31, 2023 (92.27% for the year ended July 31, 2022).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a markup of $55,510 as at July 31, 2023 (markup of $4,613 as at July 31, 2022) or If quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a markdown of $54,000 as at July 31, 2023 ($4,613 as at July 31, 2022).

22. Subsequent event:

On September 6, 2023, the Company concluded a private placement by issuing 11,130,000 units at a price of $0.05 per unit for gross proceeds of $556,500. Each unit consists of one common share and one warrant for a total of 11,130,000 common shares and 11,130,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.10 until September 6, 2025. These warrants have been valued at $127,982 based on the Black-Scholes option pricing model.