

OPUS ONE GOLD CORPORATION

ANNUAL FINANCIAL STATEMENTS

For the years ended August 31, 2023 and 2022
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Opus One Gold Corporation

Opinion

We have audited the accompanying financial statements of Opus One Gold Corporation (the "Company"), which comprise the statements of financial position as at August 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has a working capital deficiency of \$371,532 and will require additional funding to continue operations. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended. 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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the financial statements, the carrying amount of the Company's E&E Assets was \$1,563,926 as of August 31, 2023. As more fully described in Note 2 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreement and vouching cash payments and share issuances.
- Evaluating on a test basis confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 year ended 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 Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

December 15, 2023

OPUS ONE GOLD CORPORATION
ANNUAL FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022

<u>INDEX</u>	<u>Page</u>
Financial Statements	
Statements of Financial Position	1
Statements of Loss and Comprehensive Loss	2
Statements of Cash Flows	3
Statements of Changes in Shareholders' Equity	4
Notes to the Financial Statements	5 - 26

OPUS ONE GOLD CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS AT AUGUST 31
(Expressed in Canadian Dollars)

	2023	2022
ASSETS		
Current		
Cash	\$ 164,591	\$ 33,530
Receivables (Note 4)	79,940	146,619
Prepaid expenses	<u>10,255</u>	<u>5,673</u>
	254,786	185,822
Exploration and evaluation assets (Note 5)	1,563,926	2,584,450
Right-of-use asset (Note 8)	<u>-</u>	<u>22,383</u>
	<u>\$ 1,818,712</u>	<u>\$ 2,792,655</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 118,569	\$ 216,270
Due to related parties (Note 12)	423,524	327,087
Loan payable (Note 7)	-	52,500
Flow through premium liability (Note 9)	84,225	-
Current portion of lease liability (Note 8)	<u>-</u>	<u>24,544</u>
	626,318	620,401
Shareholders' equity		
Share capital (Note 9)	20,035,225	19,494,371
Obligation to issue shares (Note 5)	-	5,000
Share-based payments reserve (Note 10)	1,185,690	1,185,690
Deficit	<u>(20,028,521)</u>	<u>(18,512,807)</u>
	<u>1,192,394</u>	<u>2,172,254</u>
	<u>\$ 1,818,712</u>	<u>\$ 2,792,655</u>

Nature of operations and going concern (Note 1)

On behalf of the Board:

"Louis Morin"
Director

"Michael Kinley"
Director

The accompanying notes are an integral part of these financial statements

OPUS ONE GOLD CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED AUGUST 31
(Expressed in Canadian Dollars)

	2023	2022
EXPENSES		
Claims management	\$ 2,277	\$ -
Consulting fees (Note 12)	209,000	239,037
Depreciation of right-of-use asset (Note 8)	22,383	22,380
Insurance	12,715	9,908
Lease interest (Note 8)	2,456	4,684
Office and administration	7,363	210
Professional fees	58,435	59,541
Shareholder communications	46,317	180,062
Transfer agent and filing fees	22,162	25,921
Travel	<u>12,337</u>	<u>18,910</u>
	(395,445)	(560,653)
Write-down of exploration and evaluation assets (Note 5)	(1,136,044)	(1,127,711)
Reversal of flow through share premium liability (Note 9)	15,775	-
Loss and comprehensive loss for the year	<u>\$ (1,515,714)</u>	<u>\$ (1,688,364)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>141,893,113</u>	<u>121,220,555</u>

The accompanying notes are an integral part of these financial statements

OPUS ONE GOLD CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (1,515,714)	\$ (1,688,364)
Items not affecting cash:		
Write-down of exploration and evaluation assets	1,136,044	1,127,711
Accrued loan interest	2,500	2,500
Right-of use asset depreciation	22,383	22,380
Interest on lease	2,456	4,684
Reversal of flow through premium	(15,775)	-
Changes in non-cash working capital items:		
Receivables	66,773	71,086
Prepaid expenses	(4,582)	(413)
Due to related parties	96,437	64,575
Accounts payable and accrued liabilities	<u>(56,193)</u>	<u>113,864</u>
Net cash used in operating activities	<u>(265,671)</u>	<u>(281,977)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cost recovery on assignment of property interest	60,000	-
Expenditures on exploration and evaluation assets	<u>(219,579)</u>	<u>(303,112)</u>
Net cash used in investing activities	<u>(159,579)</u>	<u>(303,112)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Shares issued for cash	650,000	173,000
Share issue costs	(66,689)	(14,373)
Loan payable	-	50,000
Interest payments on lease	(2,456)	(4,684)
Lease payments	<u>(24,544)</u>	<u>(22,316)</u>
Net cash provided by financing activities	<u>556,311</u>	<u>181,627</u>
Increase (decrease) in cash during the year	131,061	(403,462)
Cash, beginning of year	<u>33,530</u>	<u>436,992</u>
Cash, end of year	\$ 164,591	\$ 33,530

Supplemental disclosure with respect to cash flows (Note 13)

The accompanying notes are an integral part of these financial statements

OPUS ONE GOLD CORPORATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital and Obligation	Share-based Payments Reserve	Deficit	Total
Balance, August 31, 2021	118,937,587	19,306,617	1,185,690	(16,824,443)	3,667,864
Shares issued for cash	2,883,334	173,000	-	-	173,000
Share issue costs	-	(22,746)	-	-	(22,746)
Obligation to issue shares	-	5,000	-	-	5,000
Shares issued for exploration and evaluation assets	750,000	37,500	-	-	37,500
Loss and comprehensive loss for the year	-	-	-	(1,688,364)	(1,688,364)
Balance, August 31, 2022	122,570,921	\$ 19,499,371	\$ 1,185,690	\$(18,512,807)	\$ 2,172,254
Shares issued for exploration and evaluation assets	100,000	-	-	-	-
Flow through premium liability	-	(100,000)	-	-	(100,000)
Shares issued for cash	35,000,000	700,000	-	-	700,000
Share issue costs	-	(64,146)	-	-	(64,146)
Loss and comprehensive loss for the year	-	-	-	(1,515,714)	(1,515,714)
Balance, August 31, 2023	157,670,921	\$ 20,035,225	\$ 1,185,690	\$(20,028,521)	\$ 1,192,394

The accompanying notes are an integral part of these financial statements

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

The principal business activity of Opus One Gold Corporation (the "Company" or "Opus") is the acquisition and exploration of exploration and evaluation assets, primarily in Canada. The Company was incorporated in British Columbia on August 29, 1979 and was continued under the Canada Business Corporations Act on July 13, 2012. The Company's head office is located at 2075 Victoria Avenue., Suite 220, Saint-Lambert, Qc., Canada.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied principally upon the support of creditors, related parties and issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company estimates that additional funding will be required to continue operations over the next 12 months. These material uncertainties may cast significant doubt upon the entity's ability to continue as a going concern.

In March, 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the results of the outbreak and its effects on the Company's business or ability to raise funds.

	August 31, 2023	August 31, 2022
Deficit	\$ (20,028,521)	\$ (18,512,807)
Working capital (deficiency)	\$ (371,532)	\$ (434,579)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

The Board of Directors approved the financial statements on December 15, 2023.

Basis of presentation

These financial statements have been prepared on an accrual basis and are based on the historical costs, except for certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Use of estimates

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity-based payments, the recoverability, and the accrual of refundable mining tax credits.

Key estimates made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's profit or loss and equity reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of estimates (cont'd)

Accrual of refundable mining tax credits

The provincial government of Quebec provides for a refundable tax on net qualified mining exploration expenditures incurred in Quebec. The credit is calculated as a percentage of qualified mining exploration expenses. Management has estimated and accrued the likely refundable amount arising from expenditures incurred.

Exploration and evaluation assets

Pre-acquisition costs are expensed as incurred.

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and then transferred to mining assets and amortized on a units of production basis following commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue estimated future costs of maintaining its exploration and evaluation assets in good standing.

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

Management evaluates each mineral interest on a reporting period basis or as events and circumstances warrant, and makes a determination based on exploration activity and results, estimated future cash flows and availability of funding as to which costs are capitalized or charged as impairment charges. Write-downs due to impairment in value are charged to profit or loss.

Exploration and evaluation assets, where future cash flows are not reasonably determinable, are evaluated for impairment based on results of exploration work, management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded. General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the year in which they are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Restoration and environmental obligations (cont'd...)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

For the years presented, there were no significant restoration and environmental obligations.

Mining and exploration tax recoveries

The Company recognizes mining and exploration tax recoveries in the period in which the related qualifying resource expenditures are incurred. The amount recoverable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation interests) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Valuation of equity units issued in private placements:

The Company uses a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing price on the issuance date, the balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to reserves.

Share-based compensation

The Company uses the fair value-based method of accounting for stock options granted to directors for compensatory warrants. Under this method, the fair value of the stock options and compensatory warrants are determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period. The fair value of share-based compensation to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes option pricing model, if the fair value of the goods or services received cannot be readily measured.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. The Company has no assets classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company does not have any financial assets classified as FVTOCI.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Gains and losses on derecognition of financial assets classified as amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income. Cash and receivables have been classified and measured at amortized cost.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset is impaired. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

b) Financial liabilities

The Company classifies its financial liabilities in the following categories: financial liabilities at amortised cost and FVTPL.

Financial liabilities at amortised cost

Financial liabilities classified as amortised cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, financial liabilities at amortised cost are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, amounts due to related parties, loan payable and lease liability are classified and measured at amortised cost.

FVTPL

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

For the years presented, the Company did not have any derivative financial assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if it has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if it is reasonably certain the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss. The Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (below US \$5,000). The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Newly adopted standards, interpretations and amendments

IAS 1 – Presentation of Financial Statements: The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual agreement in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024, but are not expected to have a material impact on the Company. Additionally, the Company will disclose its material accounting policies replacing its significant accounting policies.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties, loan payable and lease liability approximate their fair values due to the short-term maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy. In regards to the receivables, the Company has a significant estimate of an amount due from governmental agencies, which based on past experience, has been both reasonable and collectible.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instrument risk exposure and risk management (cont'd...)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Accounts payable and accrued liabilities at August 31, 2023, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 43,937	\$ 25,649	\$ 33,000	\$ 15,983	\$ 118,569

Accounts payable and accrued liabilities at August 31, 2022, together with their expected payment were as follows:

	0 to 3 months	3 to 6 months	6 to 12 months	> 12 months	Total
Accounts payable and accrued liabilities	\$ 182,270	\$ 34,000	\$ -	\$ -	\$ 216,270

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

The Company has cash balances which earn interest subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade demand deposit certificates issued by its banking institutions. Management believes that interest rate risk is remote. A 1% change in the interest rate would have no significant impact on interest income reported at August 31, 2023.

ii. Foreign currency risk

The Company is not exposed to foreign currency risk as all monetary assets and liabilities are denominated in Canadian currency.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

(c) Market risk (cont'd)

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

4. RECEIVABLES

Receivables consist of:

	August 31, 2023	August 31, 2022
Input tax credits receivable	\$ 71,113	\$ 107,555
Refundable mining tax credits receivable (Note 5)	<u>8,827</u>	<u>39,064</u>
	<u>\$ 79,940</u>	<u>\$ 146,619</u>

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The Company incurred property acquisition and deferred exploration costs, which are included in exploration and evaluation assets, as follows:

	Gold					Lithium		Total
	Vezza North	Vezza Extension	Noyell	Fecteau	Courville	Wemindji	LaGrande	
Balance, August 31, 2022	\$ 606,684	\$ 521,083	\$ 1,368,159	\$ 60,000	\$ 28,523	-	-	\$ 2,584,449
Deferred exploration costs:								
Drilling	-	-	1,254	-	-	-	-	1,254
Geological	4,138	3,200	5,400	-	-	7,417	7,417	27,572
General field expense	-	939	-	-	2,000	1,448	1,448	5,835
	4,138	4,139	6,654	-	2,000	8,865	8,865	34,661
Acquisition costs:								
Cash	-	-	100,000	-	-	-	40,000	140,000
Legal and other	-	-	954	-	-	-	-	954
	-	-	100,954	-	-	-	40,000	140,954
Total annual expenditures	4,138	4,139	107,608	-	2,000	8,865	48,865	175,615
Assignment of property interest	-	-	-	(60,000)	-	-	-	(60,000)
Impairment write-down	(610,822)	(525,222)	-	-	-	-	-	(1,136,044)
Refundable tax credits	-	-	(94)	-	-	-	-	(94)
Balance, August 31, 2023	\$ -	\$ -	\$ 1,475,673	\$ -	\$ 30,523	8,865	48,865	\$ 1,563,926

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS, cont'd

The Company incurred property acquisition and deferred exploration costs, which are included in exploration and evaluation assets, as follows:

	Vezza North	Vezza Extension	Bachelor Extension	Noyell	Fecteau	Courville	Total
Balance, August 31, 2021	\$ 554,380	\$ 472,044	\$ 284,088	\$ 1,229,535	\$ 815,048	\$ 15,000	\$ 3,370,096
Deferred exploration costs:							
Drilling	-	-	-	18,802	-	-	18,802
Geophysical	48,387	47,386	-	48,387	-	-	144,160
Geological	1,054	1,054	998	16,574	15,241	12,000	46,921
General field expense	-	-	-	498	3,773	10,290	14,561
Claim management	2,863	599	250	4,376	1,334	963	10,385
	52,304	49,039	1,248	88,637	20,348	23,253	234,829
Acquisition costs:							
Cash	-	-	-	52,500	37,500	-	90,000
Shares	-	-	-	5,000	37,500	-	42,500
Legal and other	-	-	-	-	-	-	-
	-	-	-	57,500	75,000	-	132,500
Total annual expenditures	52,304	49,039	1,248	146,137	95,348	23,253	367,329
Impairment write-down			(285,336)		(842,375)		(1,127,711)
Refundable tax credits	-	-	-	(7,514)	(8,021)	(9,729)	(25,264)
Balance, August 31, 2022	\$ 606,684	\$ 521,083	\$ -	\$ 1,368,159	\$ 60,000	\$ 28,523	\$ 2,584,450

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Fecteau Project

Under the terms of a June 20, 2016 option agreement, subsequently amended, the Company had the option to acquire 100% interest in the Fecteau property for cash payments, and incurring exploration expenditures.

The Fecteau property was subject to a 2% net smelter royalty (“NSR”) of which 1% could be repurchased for a one-time cash payment of \$1,000,000.

During November 2022, the Company entered an agreement with Clarity Gold Corp. to assign its interest in the amended option agreement in exchange for an assignment fee of \$60,000 (received). Accordingly, the book value of the Fecteau Project was written down by \$842,375 to the above net realizable value as of August 31, 2022.

Northern Abitibi Projects (Casa Cameron)

Original option

Pursuant to an option agreement dated December 12, 2013 and superseded by a purchase agreement with a company with a former director in common, Probe Metals Inc. (“Probe”) , the Company purchased three of the Casa-Cameron properties located in the Abitibi Greenstone Belt, Quebec (the “Properties”), being Vezza North, Vezza Extension and Bachelor Extension, in exchange for the issuance of a total 3,000,000 common shares valued at \$390,000 and payments of \$275,000 (paid).

The Properties are subject to a 2% NSR to Probe, 1% of which may be bought back by the Company for \$1,000,000, the assumption of certain existing royalty obligations and an agreement to pay \$1,000,000 to Probe for any of the Properties for which a pre-feasibility study is prepared and filed, payable in cash or shares at the discretion of the Company.

During the 2022 fiscal year, the Company decided not to proceed with the Bachelor Extension property and wrote off the book value of \$285,336. During the 2023 fiscal year, a further decision not to proceed with the Vezza North and Vezza Extension properties resulted in a final book value write down of \$1,136,044.

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Novell

On April 12, 2019, the Company entered into an option agreement with Magna Terra Minerals Inc. regarding the Noyell Property located in the Northern Abitibi Greenstone Belt, Quebec. Under the terms of the agreement; the Company can acquire a 100% interest in the property by paying \$500,000 (in cash, or in shares, or a combination of both at the Company's sole discretion, subject to the issuance of a maximum of 7,000,000 common shares) over a five (5) year period as follows:

- By May 25, 2019, pay \$50,000 (issued 1,000,000 common shares valued at \$50,000)
- By May 15, 2020, pay \$50,000 (issued 1,000,000 common shares valued at \$38,100 and paid \$11,900)
- By May 15, 2021, pay \$50,000; (issued 1,000,000 common shares valued at \$50,000)
- By May 15, 2022, pay \$50,000; ((extended to August 31, 2022 (paid) for consideration of 100,000 common shares valued at \$5,000 (issued))
- By May 15, 2023, pay \$100,000 (paid); and
- By May 15, 2024, pay \$200,000.

Courville

The Company acquired a 100% interest in certain mineral claims in Courville Township, Quebec (the "Courville Property"), from a company controlled by common management. The vendor will retain a 2% NSR.

LaGrande

On May 23, 2023, the Company reached an agreement for the acquisition of a 100% interest in a property in the Eeyou Itschee Territory, James Bay, Quebec. The terms of the agreement between Opus One and the owners consists of a cash payment of \$40,000 (paid); 4,250,000 common shares and 1,000,000 warrants exercisable at \$0.10 for a period of 18 months, and is currently being amended primarily as to the timing for closing.

Wemindji

On May 23, 2023, the Company also reached an agreement for the acquisition of a 100% interest in a property in the Eeyou Itschee Territory, James Bay, Quebec. The terms of the agreement between Opus One and the owners consists of a cash payment of \$40,000, 4,250,000 common shares and 1,000,000 warrants exercisable at \$0.10 for a period of 18 months, and is currently being amended primarily as to the timing for closing.

Refundable taxes

At August 31, 2023, the Company has estimated that \$8,827 (August 31, 2022 - \$39,064) of refundable mining tax credits remain receivable from the province of Quebec (Note 4) based on exploration expenditures incurred.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2023	August 31, 2022
Accrued payable, trade	\$ 85,669	\$ 182,270
Accrued liabilities	<u>32,900</u>	<u>34,000</u>
	<u>\$ 118,569</u>	<u>\$ 216,270</u>

7. LOAN PAYABLE

On August 26, 2022, the Company received a short-term loan of \$50,000 for the purpose of making its extended Noyell property payment due August 31, 2022 (Note 5), including a loan fee of \$2,500. The loan was settled in March, 2023, together with accrued interest at 10% per annum.

8. LEASES

The Company leases office premises, signed in 2020, with a lease term of 3 years, with an option to renew the lease after that date for another 3 years. The Company did not renew the lease and it expired on August 31, 2023.

Information about the lease for which the Company is a lessee is presented below.

(a) Right-of-use assets:

The only right-of-use asset is the Company's office premises.

	31-Aug-23	31-Aug-22
Balance at beginning of year	\$ 22,383	\$ 44,763
Depreciation for the year	(22,383)	(22,380)
Balance at end of year	<u>\$ -</u>	<u>\$ 22,383</u>

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

8. LEASES (cont'd)

(b) Lease liability:

	31-Aug-23		31-Aug-22	
Balance, beginning of year	\$	24,544	\$	46,860
Payments		(27,000)		(27,000)
Lease interest		2,456		4,684
		-		24,544
<u>Less current portion</u>		-		(24,544)
<u>Balance, end of year</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>

(c) Amounts recognized in profit or loss

<u>Year ended August 31</u>	<u>2023</u>		<u>2022</u>	
Interest on lease liability	\$	2,456	\$	4,684
Amortization of right-of-use asset		22,383		22,380
<u>Total</u>	<u>\$</u>	<u>24,839</u>	<u>\$</u>	<u>27,064</u>

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value. All issued shares are fully paid.

Fiscal 2023 transactions

On November 28, 2022, the Company issued 100,000 common shares valued at \$5,000 pursuant to the extension of the Noyell property payment from May 15, 2022 to August 31, 2022 (Note 5).

On December 14, 2022, the Company issued 10,000,000 flow-through units at a price of \$0.02 each for gross proceeds of \$200,000, each unit comprised of one flow-through common share of the Company and half of one non-flow-through common share purchase warrant, with each warrant entitling the holder to acquire one common share at an exercise price of \$0.05 per Share for a period of 24 months. The Company paid finders' fees and other share issue costs of \$17,257 in cash.

A flow through liability of \$100,000 was recorded on the above flow-through financings based on the premium paid for these shares. As a result of exploration expenditures incurred, the liability has been reduced to \$84,225 as at August 31, 2023, and a corresponding reversal of flow-through premium of \$15,775 (2022 - \$Nil)

As at August 31, 2023, the Company is committed to incur \$165,339 in eligible exploration expenditures.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

9. SHARE CAPITAL (cont'd)

On March 7, 2023, the Company completed a non-brokered private placement for gross proceeds of \$500,000 from the issuance of 25,000,000 units of the Company. Each unit was issued at price per of \$0.02 and is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at an exercise price of \$0.05 per share for a period of 24 months. The Company paid finders' fees and other issuance costs of \$46,889 in cash.

Fiscal 2022 transactions

The Company closed a private placement of flow through shares on December 30, 2021 issuing 2,883,334 shares for total proceeds of \$173,000 at a price of \$0.06 per flow through share. No value was attributed to the flow through component.

The Company issued 750,000 shares at a value of \$0.05 per share pursuant to its amended option agreement on the Fecteau property (Note 5).

10. SHARE-BASED PAYMENTS RESERVE

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The number of common shares which may be reserved under the stock option plan is limited to 10% of the aggregate number of common shares of the Company issued and outstanding at the time of the grant of the options.

Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest in accordance with TSX Venture Exchange policies.

Share-based compensation

At August 31, 2023, the Company had outstanding and exercisable share purchase options as follows:

	Number of Options	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
Granted August 12, 2020	4,350,000	\$ 0.10	August 12, 2025	1.95 years
Balance, August 31, 2023	4,350,000			1.95 years

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS RESERVE (cont'd)

At August 31, 2022, the Company had outstanding share purchase options as follows:

	Number of Options	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
Granted December 18, 2017	400,000	\$ 0.10	December 18, 2022	0.30 years *
Granted August 12, 2020	4,350,000	\$ 0.10	August 12, 2025	2.95 years
Granted September 3, 2020	600,000	\$ 0.10	September 2, 2022	0.01 years *
Balance, August 31, 2022	5,350,000			2.42 years

* Subsequently expired

Share purchase option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise price
Balance, August 31, 2021 and 2022	5,350,000	\$ 0.10
Options expired	(1,000,000)	\$ 0.10
Balance exercisable, August 31, 2023	4,350,000	\$ 0.10

11. WARRANTS

As of August 31, 2023, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
5,000,000	\$ 0.05	December 19, 2024	0.22 years
25,000,000	\$ 0.05	March 7, 2025	1.26 years
30,000,000			1.48 years

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

11. WARRANTS (cont'd)

As of August 31, 2022, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Contractual Life Remaining
35,000,000	\$ 0.07	August 12, 2023	0.95 years
35,000,000			0.95 years

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average price
Balance, August 31, 2021	37,667,000	\$ 0.07
Warrants expired	(2,667,000)	0.07
Balance, August 31, 2022	35,000,000	\$ 0.07
Warrants expired	(35,000,000)	0.07
Warrants issued	30,000,000	0.05
Balance, August 31, 2023	30,000,000	\$ 0.05

12. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

Management compensation

The Company defines key management as its directors and officers. Key management personnel compensation comprised:

Year ended August 31:	2023	2022
Consulting fees paid to directors and officers	\$ 204,000	\$ 204,000

Amounts due to related parties are owed to directors and officers and/or to companies controlled by them, are non-interest bearing, unsecured, with no specific terms of repayment.

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Year ended August 31	2023	2022
Cash paid during the year for:		
Interest	\$ 2,456	\$ 4,684
Income taxes	-	-
Non-cash transactions:		
Shares issued for exploration and evaluation assets	5,000	37,500
Obligation to issue shares for exploration and evaluation assets	-	5,000
Accrued refundable mining tax credits, net of adjustments	94	25,265
Exploration and evaluation assets in accounts payable	43,965	22,717
Private placement applied to loan	50,000	-
Share issue costs in accounts payable	20,203	22,746
Flow through premium	100,000	-

14. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

For the year ended	2023	2022
Accounting loss before income taxes	\$ (1,515,714)	\$(1,688,364)
Combined federal and provincial statutory income tax rate	27%	27%
Income tax recovery at the statutory rate	\$ (409,000)	\$ (456,000)
Permanent differences	-	-
Impact of future income tax rates applied versus current statutory rate and other	(16,000)	(19,000)
Impact of flow-through share	9,000	45,000
Share issue cost	(17,000)	(6,000)
Adjustment to prior year's provision versus statutory tax returns		
And expiry of non-capital losses	17,000	49,000
Change in unrecognized temporary differences	416,000	387,000
Total	\$ -	\$ -

Significant components of deferred tax assets that have not been set up are as follows:

	2023	2022
Share issuance costs	\$ 40,000	\$ 49,000
Allowable capital losses	117,000	117,000
Non-capital losses	1,527,000	1,410,000
Exploration and evaluation assets	1,944,000	1,636,000
Total unrecognized deferred tax assets	\$ 3,628,000	\$ 3,212,000

OPUS ONE GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

14. INCOME TAXES (cont'd)

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

	2023		2022	
		Expiry dates		Expiry dates
Share issuance costs	\$ 149,000	2043 to 2047	\$ 183,000	2043 to 2046
Allowable capital losses	433,000	Not applicable	433,000	Not applicable
Non-capital losses	5,655,000	2026 to 2043	5,222,000	2026 to 2042
Exploration & evaluation assets	7,188,000	Not applicable	6,048,000	Not applicable
ITC	5,000	2028 to 2032	5,000	2028 to 2032

Tax attributes are subject to review, and potential adjustment by tax authorities.

15. CAPITAL RISK MANAGEMENT

The Company manages common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company currently has no source of revenues. As such, the Company is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended August 31, 2023. The Company is not subject to externally imposed capital requirements.

16. SEGMENTED INFORMATION

The Company operates in Canada in one business segment being the acquisition and exploration of exploration and evaluation assets.

17. BASIC AND DILUTIVE LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended August 31, 2023, is based on the loss attributed to the common shareholders of \$1,515,714, (2022 – (\$1,688,364)) and a weighted average number of common shares outstanding of 141,893,113 (2022 – 121,220,555).

Diluted loss per share did not include the effect of 4,350,000 (2022 – 5,350,000) share purchase options or 30,000,000 (2022 – 35,000,000) share purchase warrants as they are anti-dilutive.