MELKIOR RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Melkior Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Melkior Resources Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at November 30, 2023	As at August 31, 2023
ASSETS		
Current assets		
Cash	**$ 2,169,319**	$ 2,252,578
Sales tax receivable	**49,078**	43,125
Prepaid expenses	**22,630**	24,640
Total current assets	**2,241,027**	2,320,343
Non-current assets		
Exploration and evaluation assets (notes 5 and 7)	**13,511,943**	13,444,632
Total assets	**$ 15,752,970**	$ 15,764,975
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	**$ 160,115**	$ 159,776
Flow-through share liability (note 6(b))	**130,917**	142,136
Total liabilities	**291,032**	301,912
Shareholders' equity		
Share capital (note 6)	**49,990,726**	49,990,726
Reserves (note 6)	**5,818,009**	5,818,009
Deficit	**(40,346,797)**	(40,345,672)
Total shareholders' equity	**15,461,938**	15,463,063
Total liabilities and shareholders' equity	**$ 15,752,970**	$ 15,764,975

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

Nature of operations and going concern (note 1)
Commitment (note 8)
Subsequent events (note 9)

Melkior Resources Inc.

Condensed Interim Statements of Loss and Comprehensive Income (loss)
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
Expenses		
Consulting and management fees (note 7)	**$ 3,250**	$ 4,750
Marketing	**6,986**	20,534
General and administrative	**5,392**	4,941
Professional fees (note 7)	**13,096**	12,627
Regulatory fees (note 7)	**12,884**	4,223
Travel and promotion	**-**	143
Net loss from operations	**(41,608)**	(47,218)
Other items		
Interest income	**29,264**	18,989
Loss on marketable securities (note 4)	**-**	(27,000)
Reversal of flow-through share liability (note 6)	**11,219**	221,809
Net income (loss) and comprehensive income (loss) for the period	**$ (1,125)**	$ 166,580
Basic and diluted net income (loss) per share	**$ (0.00)**	$ 0.01
Weighted average number of common shares outstanding - Basic and diluted	**31,352,697**	24,606,650

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

Melkior Resources Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
Operating activities		
Net income (loss) for the period	**$ (1,125)**	$ 166,580
Adjustments for:		
Loss on marketable securities	**-**	27,000
Reversal of flow-through share liability	**(11,219)**	(221,809)
Changes in non-cash working capital items:		
Sales tax receivable	**(5,953)**	(78,846)
Prepaid expenses	**2,010**	3,242
Amounts payable and accrued liabilities	**(548)**	8,515
Net cash used in operating activities	**(16,835)**	(95,318)
Investing activities		
Exploration and evaluation asset expenditures	**(66,424)**	(601,389)
Net cash used in investing activities	**(66,424)**	(601,389)
Net change in cash	**(83,259)**	(696,707)
Cash, beginning of period	**2,252,578**	2,429,055
Cash, end of period	**$ 2,169,319**	$ 1,732,348
Supplemental cash flow information		
Interest income from cash	**$ 29,264**	$ 18,989
Taxes paid in cash	**$ -**	$ -

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

Melkior Resources Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Share capital				
	Number of shares	Share capital	Reserves	Deficit	Total
Balance, August 31, 2022	**24,606,650**	**$ 48,692,646**	**$ 5,798,838**	**$ (40,195,600)**	**$ 14,295,884**
Net and comprehensive income for the period	-	-	-	166,580	166,580
Balance, November 30, 2022	**24,606,650**	**$ 48,692,646**	**$ 5,798,838**	**$ (40,029,020)**	**$ 14,462,464**
Balance, August 31, 2023	**31,352,697**	**$ 49,990,726**	**$ 5,818,009**	**$ (40,345,672)**	**$ 15,463,063**
Net and comprehensive loss for the period	-	-	-	(1,125)	(1,125)
Balance, November 30, 2023	**31,352,697**	**$ 49,990,726**	**$ 5,818,009**	**$ (40,346,797)**	**$ 15,461,938**

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

1. Nature of operations and going concern

Melkior Resources Inc. (the ‘‘Company’’), incorporated under the *Business Corporations Act* (Canada), is a junior mining exploration company operating in Canada. The Company’s operations include the acquisition and exploration of mineral properties in Canada. The address of the registered office is Bentall 5, 550 Burrard Street, Suite 1008, Vancouver, British Columbia, Canada, V6C 2B5, and its principal place of business is 207 – 66 Brousseau Avenue, Timmins, Ontario, Canada, P4N 5Y2. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “MKR”, on the OTC Exchange in the United States under the symbol “MKRIF” and on the Frankfurt Stock Exchange under the symbol “MEK”.

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

The Company has incurred a net loss during the three months ended November 30, 2023 of $1,125 (three months ended November 30, 2022 - net income of $166,580) and has a deficit at November 30, 2023 of $40,346,797 (August 31, 2023 - $40,345,672), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage and, accordingly, has not yet commenced revenue-producing operations. 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.

The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management’s plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally such as global health conditions and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and its effects on the Company’s business or ability to raise funds.

2. Basis of presentation

(a) Statement of compliance

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements of the Company should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 29, 2024.

2. Basis of presentation (continued)

(b) Basis of measurement

These unaudited condensed interim financial statements have been prepared under the historical cost basis, except for financial instruments measured at fair value. These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

(c) Functional and presentation currency

The unaudited condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

(d) Critical accounting estimates and judgments

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

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

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

Impairment of exploration and evaluation assets

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

Title to mineral property interests

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

Fair value of marketable securities

The determination of the fair value requires significant judgement by the Company. The Company acts in good faith to fair value its marketable securities on the date of purchase and on a quarterly basis thereafter, consistent with fair value accounting guidance in accordance with IFRS 13, Fair Value Measurement.

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Decommissioning liabilities

Rehabilitation provisions are created based on the Company's internal estimates. Assumptions, based on the current economic environment, are made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at November 30, 2023 and 2023, the Company has no known rehabilitation requirements and accordingly, no provision has been made.

3. Significant accounting policies

The unaudited condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 3 to the audited financial statements for the year ended August 31, 2023.

4. Marketable securities

All of the marketable securities held by the Company were acquired through property options and sales transactions with the below companies. As at November 30, 2023, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value
Northcore Resources Inc.	50,000	$ 60,000	$ (60,000)	$ -
St. Peter's Spirits Inc.	222,223	200,001	(200,001)	-
		$ 260,001	**$ (260,001)**	**$ -**

There were no activities during the three months ended November 30, 2023.

During the year ended August 31, 2023:

- The Company sold 300,000 shares of NiCan Limited for proceeds of $33,340 and recognized a loss of $23,660.
- The Company recognized a fair value adjustment loss on St. Peter's Spirits Inc. shares of $200,001 due to uncertainty in recoverability.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets

	Quebec			Ontario			
	Urban	**Val d'Or**	**Beschefer East**	**Carscallen**	**Hemlo**	**Genex**	**Total**
Property acquisition costs							
Balance, August 31, 2022	$ 89,072	$ 11,836	$ -	$ 359,482	$ 152,922	$ 170,000	$ 783,312
Acquisitions	-	-	101,966	-	-	170,000	271,966
Claim maintenance	-	-	-	100	-	-	100
Balance, August 31, 2023	89,072	11,836	101,966	359,582	152,922	340,000	1,055,378
Balance, November 30, 2023	$ 89,072	$ 11,836	$ 101,966	$ 359,582	$ 152,922	$ 340,000	$ 1,055,378
Property exploration costs							
Balance, August 31, 2022	$ 2,261,250	$ 696,574	$ -	$ 7,922,246	$ 188,274	$ 62,370	$11,130,714
Camp	1,489	-	-	-	-	-	1,489
Consulting	5,500	22,467	10,250	7,797	-	71,614	117,628
Drilling	-	12,979	-	36,763	-	846,614	896,356
Geochemistry	6,940	-	1,716	-	-	234,424	243,080
Geophysics	-	-	-	-	-	50,050	50,050
Tax credits received	(50,063)	-	-	-	-	-	(50,063)
Balance, August 31, 2023	2,225,116	732,020	11,966	7,966,806	188,274	1,265,072	12,389,254
Consulting	-	4,000	-	4,220	220	8,528	16,968
Drilling	-	2,749	-	-	-	-	2,749
Geochemistry	-	-	17,766	-	-	29,828	47,594
Balance, November 30, 2023	$ 2,225,116	$ 738,769	$ 29,732	$ 7,971,026	$ 188,494	$ 1,303,428	$12,456,565
Total exploration and evaluation assets							
August 31, 2023	$ 2,314,188	$ 743,856	$ 113,932	$ 8,326,388	$ 341,196	$ 1,605,072	$13,444,632
November 30, 2023	$ 2,314,188	$ 750,605	$ 131,698	$ 8,330,608	$ 341,416	$ 1,643,428	$13,511,943

5. Exploration and evaluation assets (continued)

Quebec

(a) Urban

During the year ended August 31, 2017, the Company acquired claims in the Urban area of Quebec through map staking. The Company has a 100% ownership in the claims and there is no net smelter return royalty ("NSR").

During the year ended August 31, 2018, the Company acquired additional claims through staking.

(b) Launay

The Company retains a 1.5% NSR on the Launay property, of which one-half may be purchased by Beaufield Resources Inc. for $750,000.

(c) Val d'Or

In May 2020, the Company acquired 2 packages of claims in Tiblemont Township, Quebec by direct staking.

(d) Beschefer East

In June 2023, the Company entered into an option agreement to acquire 100% of the Beschefer East Project located north of La Sarre, Quebec. The Company can acquire 100% of the property in consideration for:

- On July 3, 2023, make a cash payment of $50,000 and issue $50,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2023 (completed);
- On or before July 3, 2024, issue $100,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2024 and incur $375,000 in aggregate work expenditures;
- On or before July 3, 2025, issue $150,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2025 and incur $750,000 in aggregate work expenditures; and
- On or before July 3, 2026, issue $200,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2026 and incur $1,500,000 in aggregate work expenditures.

The property is subject to a NSR of up to 2.5% on certain claims made up of a historical NSR of 1.5% and 1% granted to the vendor.

5. Exploration and evaluation assets (continued)

Ontario

(e) Carscallen

The Company holds a 100% interest in the Carscallen property, west of Timmins, Ontario. Some claims are subject to a 1.5% NSR while another group of claims is subject to a 2% NSR, of which the Company may buy back one-half for $1,000,000.

In October and November 2010, the Company signed three agreements to acquire 100% interests in additional mining claims in consideration of $10,000 cash and two 2% NSR royalties, of which 1% can be repurchased for $500,000 each.

In October 2013, the Company signed a memorandum of understanding ("MOU") with the Mattagami First Nations. As part of the MOU, the Company issued 20,000 common shares (valued at $8,000) on December 23, 2013. The Company will pay 2% of all exploration costs eligible for assessment credit to the Mattagami First Nation.

On April 7, 2016, the Company issued 21,000 common shares (valued at $8,400) for the acquisition of a 100% interest in an additional mining claim from an arm's length party, subject to a 2% NSR. The Company may purchase 0.5% of the NSR for $500,000 and a first right of refusal to purchase the remaining 1.5% NSR.

During the year ended August 31, 2017, the Company acquired additional claims through cash purchase agreements and staking. One of the claims is subject to a 2% NSR.

During the year ended August 31, 2018, the Company entered into three agreements for the purchase of six additional claims for the Carscallen property. The Company paid $12,500 and issued 10,000 common shares (valued at $7,000) as consideration. Two of the claims are subject to a 2% NSR.

On May 6, 2020, the Company entered into an option agreement of 6 cell units (the "Carscallen Claims"). Pursuant to the option agreement, the Company acquired 100% interest in the Carscallen Claims, subject to a 3% NSR, in consideration for:

- On signing, cash payment of $10,000 (completed);
- Upon TSX-V acceptance, issuance of 75,000 shares of the Company (completed, valued at $61,500);
- On the first anniversary, cash payment of $10,000 and issuance of $25,000 worth of shares issued at the weighted average price of the common shares for the 10 trading days immediately preceding (completed); and
- On the second anniversary, cash payment of $10,000 and issuance of $25,000 worth of shares issued at the weighted average price of the common shares for the 10 trading days immediately preceding (completed).

The Company may purchase one-half of the NSR at any time for the sum of $1,000,000.

On September 28, 2020, the Company completed a strategic partnership with Agnico Eagle Mines Limited (formerly Kirkland Lake Gold Ltd.) ("Agnico"). Under the terms of the option agreement (the "Agnico Option Agreement") between the Company and Agnico, the Company granted Agnico the right to earn-in up to a 75% interest in the Carscallen Project and acquire up to 1,250,000 units of the Company on a private placement basis.

5. Exploration and evaluation assets (continued)

(e) Carscallen (continued)

Under the terms of the Agnico Option Agreement, Agnico has an option to earn a 50% interest in the Carscallen Project in consideration for completing $10 million in exploration expenditures over a period of 5 years (the "Phase 1 Expenditures"). Agnico has a minimum commitment of $3 million during the first 2 years of the option period. Should Agnico fail to incur the Phase 1 Expenditures during the option period, Agnico's option to acquire the 50% interest shall expire.

Upon Agnico completing the Phase 1 Expenditures and earning its 50% interest, the parties shall enter into a joint venture agreement to carry on operations with respect to the Carscallen Project (the "Joint Venture"). Upon the formation of a Joint Venture, Agnico will have the right to earn an additional 25% interest in the Carscallen Project by incurring exploration expenditures of $100 million within the first 5 years of the formation of the Joint Venture. Any additional funds required beyond the $100 million will be contributed by the Joint Venture parties based on their proportional joint venture interests.

In September 2022, the Agnico Option Agreement was amended such that Agnico's minimum commitment of $3 million of the Phase 1 Expenditures is to be incurred by December 31, 2022 (completed).

(f) Hemlo

On May 12, 2017, the Company entered into an agreement to acquire a 100% interest in the Hemlo property. The Company paid $5,000 and issued 150,000 common shares (valued at $90,000) as consideration. The vendor holds a 3% NSR, of which one-third may be purchased by the Company for $1,000,000.

During the year ended August 31, 2017, the Company acquired additional claims through cash purchase agreements and staking.

On November 20, 2020, the Company closed of an option and joint venture agreement with Barrick Gold Inc. ("Barrick"), a wholly-owned subsidiary of Barrick Gold Corporation. Under the terms of the option agreement entered into between the Company and Barrick (the "Barrick Option Agreement"), Melkior granted Barrick the right to earn-in up to a 75% interest in the Hemlo Project located 20 kilometres east of Barrick's Hemlo Mine.

Under the terms of the Barrick Option Agreement, Barrick had an option to earn a 75% interest in the Property in consideration for completing $4 million in exploration expenditures over a period of 5 years. Barrick had a minimum commitment of $0.5 million during the first 2 years of the option period. Barrick acted as the operator of the Hemlo Project during the option period. All expenditures beyond the minimum commitment were optional. Should Barrick fail to incur the expenditures during the option period, Barrick's option to acquire the 75% interest would have expired.

Upon Barrick completing the expenditures and earning its 75% interest, the parties were to enter into a joint venture agreement to carry on operations with respect to the Hemlo Project. Funds required for further development would have been contributed by the joint venture parties based on their proportional joint venture interests. Dilution of a shareholder's interest below 10% was to result in the conversion of the interest to a NSR royalty of either 1% or 2% on certain claims dependent on pre-existing royalties.

On November 20, 2021, Barrick withdrew from the Barrick Option Agreement.

5. Exploration and evaluation assets (continued)

(g) Genex

On April 19, 2022, the Company entered into an option agreement to acquire 100% of the Genex Project, located near Timmins, Ontario. The Genex option agreement was approved by the TSX-V in July 2022. Under the terms of the option agreement, in consideration for an undivided 50% interest in the property (the "First Option"), the Company must:

- make a cash payment of $50,000, issue 500,000 common shares, and contribute $500,000 in assessment credits from the Company's Carscallen Project within 20 days from the Effective Date (completed);
- make a cash payment of $50,000, issue 500,000 common shares, and incur $750,000 in aggregate work expenditures on or before the first anniversary of the Effective Date (completed);
- make a cash payment of $50,000, issue 500,000 common shares, and incur $1,750,000 in cumulative work expenditures on or before the second anniversary of the Effective Date; and
- make a cash payment of $100,000, issue 1,000,000 common shares, and incur $2,750,000 in cumulative work expenditures on or before the third anniversary of the Effective Date.

The agreement has an Effective Date of April 28, 2022 for all anniversary payments.

The vendor is also permitted to remove $500,000 each in assessment credits from the Genex Project during years 2 and 3.

In consideration for the additional 50% interest in the property (the "Second Option"), the Company must at any time after exercising the First Option make a one-time issuance of 2,500,000 common shares. If the Second Option is exercised, then the Company will own a 100% interest in the property and the vendor will retain a NSR of up to 2% calculated as the difference between 2% and any amounts payable pursuant to any existing royalties.

6. Share capital

(a) Authorized share capital

(i) an unlimited number of common shares without par value, voting and participating; and

(ii) an unlimited number of preferred shares with an 8% non-cumulative dividend, redeemable at the request of the Company at paid-up capital.

(b) Issued

<u>During the three months ended November 30, 2023</u>

There were no activities during the period.

<u>During the three months ended November 30, 2022</u>

There were no activities during the period.

(Expressed in Canadian Dollars)

6. Share capital (continued)

(c) Stock options

The Company maintains a stock option plan (the "Plan") pursuant to which options to purchase common shares may be granted for its eligible directors, officers and employees of the Company, as well as persons providing ongoing services to the Company.

The number of shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the aggregate number of common shares of the Company issued and outstanding.

In the event that an optionee ceases to be an eligible person prior to the expiry date of their respective options, the options shall expire 12 months after the termination date or on the expiry date, whichever comes first (except for persons providing investor relations activities who will remain subject to a 30-day expiry period). In the event of termination with cause, the options of an eligible person shall expire on the date of notice of termination.

The purchase price of the common shares, upon exercise of each option granted under the Plan, shall be a price fixed for such option by the Board of Directors upon grant of each such option, but such price shall not be less than the market price at closing of transactions the day prior to the grant or any other regulations by the TSX-V. Each option, unless sooner terminated in accordance with the terms, conditions and limitations thereof, or unless sooner exercised, shall expire on the date determined by the Board of Directors when the option is granted or, failing such determination, not later than upon the tenth anniversary of the grant of the option.

The total number of options granted to any one individual in any 12-month period will not exceed 5% of the issued common shares. The total number of options granted to a consultant in any 12-month period will not exceed 2% of the issued common shares at the time of grant. The total number of options granted to persons providing investor relations activities in any 12-month period will not exceed 2% of the issued common shares at the time of grant. These options must vest in stages over a 12-month period from the date of grant with no more than 25% of the options vesting in any three-month period.

A summary of changes of the Company's common share purchase options is presented below for the periods ended November 30, 2023 and 2022:

	Number of stock options	Weighted average exercise price
Balance, August 31, 2022 and November 30, 2022	2,385,000	$ 0.58
Balance, August 31, 2023 and November 30, 2023	1,925,000	$ 0.54

(Expressed in Canadian Dollars)

6. Share capital (continued)

(c) Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of November 30, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 10, 2024	1.50	0.11	100,000	100,000
February 27, 2025	0.20	1.25	475,000	475,000
February 22, 2026	0.70	2.23	900,000	900,000
January 25, 2027	0.35	3.16	450,000	450,000
	0.54	2.10	1,925,000	1,925,000

(d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, August 31, 2022	3,250,000	$ 0.98
Expired	(1,250,000)	1.20
Balance, November 30, 2022	2,000,000	$ 0.98
Balance, August 31, 2023 and November 30, 2023	-	$ -

As at November 30, 2023, there were no outstanding and exercisable warrants.

(e) Finders' warrants

	Number of warrants	Weighted average exercise price
Balance, August 31, 2022 and November 30, 2022	-	$ -
Balance, August 31, 2023 and November 30, 2023	217,000	$ 0.24

(Expressed in Canadian Dollars)

6. Share capital (continued)

(e) Finders' warrants (continued)

The following finders' warrants were outstanding and exercisable as of November 30, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of warrants outstanding	Number of warrants exercisable
December 23, 2024	0.24	1.07	175,000	175,000
June 23, 2025	0.24	1.56	42,000	42,000
	0.24	1.16	217,000	217,000

7. Related party transactions

The Company’s related parties include companies controlled by officers and close family members of directors and key management, as described below.

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.

The Company’s key management personnel are members of the Board of Directors, as well as the chief executive officer ("CEO"), chief financial officer and the corporate secretary. Key management compensation is as follows:

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
Consulting and management fees (i)	**$ 18,750**	$ 18,750
Professional fees (ii)	**8,077**	7,636
Regulatory fees (ii)	**8,745**	3,214
Total key management compensation	**$ 35,572**	$ 29,600

As at November 30, 2023, the balance due to related parties amounted to $8,470 (August 31, 2023 - $5,592) and was recorded in accounts payable and accrued liabilities.

(i) Management fees to the Company's CEO are paid pursuant to a 2020 consulting agreement under which Silverwater Capital Corp., a company controlled by the Company's CEO, receives a monthly fee of $6,250. The Company can terminate the agreement with three months' notice. The fees are recorded partially as consulting fees in exploration and evaluation assets.

7. Related party transactions (continued)

(ii) During the three months ended November 30, 2023, the Company paid professional fees and regulatory fees of $16,822 (three months ended November 30, 2022 - $10,850) to Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filing Services Limited, and Marrelli Trust Company Ltd., together known as the "Marrelli Group", for:

- An employee of Marrelli Group to act as the CFO of the Company;
- Bookkeeping services;
- Regulatory filing services;
- Corporate secretarial services; and
- Transfer agent services.

8. Commitment

In connection with the flow-through share financings in 2022 and 2023, the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of $600,000 by December 31, 2023 and $783,266 by December 31, 2024. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at November 30, 2023, the Company is required to incur qualifying exploration expenditure exceeding approximately $20,000 by December 31, 2023 and $750,000 by December 31, 2024.

9. Subsequent events

On December 28, 2023, the Company announced that it closed its non-brokered private placement of $466,360 through the issuance of 2,914,750 flow-through units at $0.16 per unit. Each unit consists of one flow-through share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of $0.25 per share until December 22, 2025. In connection with the private placement, the Company issued 140,000 finders' warrants exercisable for a period of 24 months at an exercise price of $0.18 per share and paid finders' fees of $22,400.

On January 10, 2024, 100,000 stock options expired unexercised.