



Condensed Interim Consolidated Financial Statements

Periods Ended June 30, 2024 and 2023

Expressed in Canadian Dollars

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Sanatana Resources Inc. for the three months ended June 30, 2024 have been prepared by the management of the Company and approved by the Company's board of directors.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

	Notes	June 30 2024 \$	March 31 2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,550,058	21,457
Receivables	4	16,052	2,720
Prepaid expenses		128,267	20,151
Short-term investments	5	6,000	34,000
Total current assets		1,700,377	78,328
Non-current assets			
Equipment	7	67,871	75,310
Total non-current assets		67,871	75,310
Total assets		1,768,248	153,638
LIABILITIES			
Current liabilities			
Payables and accruals	8	278,758	102,937
Liability to renounce exploration expenditures	10	28,947	38,637
Total liabilities		307,705	141,574
EQUITY			
Share capital	10	54,973,714	53,392,012
Reserves	10	7,033,078	6,958,378
Deficit		(60,546,249)	(60,338,326)
Total equity		1,460,543	12,064
Total equity and liabilities		1,768,248	153,638

Nature of operations and going concern (Note 1)

Events after the reporting period (Note 19)

Signed on the Company's behalf by:

"Peter Miles"

Peter Miles, Director

"Ian Smith"

Ian Smith, Director

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

Period Ended June 30	Notes	2024 \$	2023 \$
Expenses			
Consulting and advisory fees		6,748	17,862
Depreciation	7	7,439	7,439
Director fees	12	-	6,556
Exploration	6	64,604	103,515
Financing cost	8	-	5,281
Investor relations		3,528	54,995
Management fees and salaries	12	65,808	69,408
Office and administration		11,262	12,027
Professional fees		29,103	22,633
Share-based compensation	11	-	23,100
Transfer agent fees and filing fees		8,444	1,961
Travel and accommodation		-	31,899
Loss before other items		(196,936)	(356,676)
Unrealized loss on short-term investments	5	(28,000)	(45,000)
Settlement of flow-through share premium liability	10	9,690	41,400
Other income	1	7,323	5,781
Loss and total comprehensive loss for the period		(207,923)	(354,495)
Loss per share - basic and diluted	13	(0.00)	(0.00)
Weighted average common shares outstanding - basic and diluted		83,776,003	75,650,822

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

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian Dollars

	Number of Shares	Common Shares \$	Reserves \$	Deficit \$	Equity \$
March 31, 2024	79,930,822	53,392,012	6,958,378	(60,338,326)	12,064
Private placements	21,912,143	1,819,350	-	-	1,819,350
Share issue costs	-	(237,648)	74,700	-	(162,948)
Loss for the period	-	-	-	(207,923)	(207,923)
June 30, 2024	101,842,965	54,973,714	7,033,078	(60,546,249)	1,460,543

	Number of Shares	Common Shares \$	Reserves \$	Deficit \$	Equity (Deficiency) \$
March 31, 2023	75,650,822	53,072,827	6,915,578	(59,809,901)	178,504
Share-based compensation	-	-	23,100	-	23,100
Loss for the period	-	-	-	(354,495)	(354,495)
June 30, 2023	75,650,822	53,072,827	6,938,678	(60,164,396)	(152,891)

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

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

Period Ended June 30	2024 \$	2023 \$
Cash and cash equivalents provided by (used in):		
Operating activities:		
Loss for the period	(207,923)	(354,495)
Adjustments for:		
Depreciation of equipment	7,439	7,439
Investment income included in other income	-	(5,781)
Unrealized loss on short-term investments	28,000	45,000
Share-based compensation	-	23,100
Financing expense	-	5,281
Other income on flow-through premium	-	(41,400)
Other income re gain on dissolution of subsidiary	(9,690)	-
Gain on dissolution of subsidiary	7,323	-
Changes in non-cash working capital items:		
Receivables	(13,332)	28,219
Prepaid expenses	(108,116)	(22,465)
Payables and accruals	72,498	(67,700)
	(223,801)	(382,802)
Investing activities:		
Interest received	-	5,781
	-	5,781
Financing activities		
Private placements	1,819,350	-
Share issue costs	(66,948)	-
Loan proceeds	-	728,000
Loan transaction costs	-	(25,606)
	1,752,402	702,394
Change in cash and cash equivalents	1,528,601	325,373
Cash and cash equivalents, beginning of period	21,457	339,369
Cash and cash equivalents, end of period	1,550,058	664,742

Supplementary cash flow information (note 14)

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

1. Nature of Operations and Going Concern

Sanatana Resources Inc. ("Sanatana" or the "Company") was incorporated on June 25, 2004 under the British Columbia Business Corporations Act. Sanatana is an exploration stage company, and its principal business activity is the acquisition, exploration and development of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol STA.

In April 2024, the Company wound up its wholly owned subsidiary ExSol (SI) Limited in accordance with Solomon Islands law. The subsidiary had been inactive since the cessation of exploration on the Company's Solomon Islands property in 2020. The Company recorded a gain on dissolution of \$7,323 representing a net overaccrual of liabilities that did not need to be paid.

The Company has not generated revenue from operations and has no immediate plans that could generate cash from operations. The Company incurred a loss of \$207,923 during the period ended June 30, 2024 and, as of that date, the Company's deficit was \$60,546,249. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

The head office and principal address of the Company are located at Suite 1910 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. These consolidated financial statements were authorized for issue by the Company's audit committee on August 26, 2024.

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements of the Company for the three months ended June 30, 2024 have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual financial statements as at and for the year ended March 31, 2024 as filed on SEDAR at www.sedar.com. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis.

The financial information is presented in Canadian dollars, which is the functional currency of the Company.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ExSol (SI) Limited until April 19, 2024 being the date that ExSol was dissolved under the laws of the Solomon Islands. All significant intercompany transactions and balances have been eliminated upon consolidation.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

2. Basis of Presentation (continued)

Critical Accounting Estimates and Judgements

Sanatana 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 loss/income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized have not changed from those presented in note 4 of the Company's financial statements for the year ended March 31, 2024.

3. Cash and cash equivalents

Cash on hand in banks earns interest at floating rates in effect from time to time. At June 30, 2024, the weighted average floating rate for cash and cash equivalents was 0% (March 31, 2024 – 0%). Cash and cash equivalents comprise:

	June 30 2024	March 31 2024
	\$	\$
Cash	1,550,058	21,457
Cash equivalents	-	-
	1,550,058	21,457

4. Receivables

	June 30 2024	March 31 2024
	\$	\$
Goods and services tax	16,052	2,720
	16,052	2,720

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

5. Short-term Investments

	Number	Cost	Carrying Value	
			June 30 2024	March 31 2024
		\$	\$	\$
Gold Royalty Corp. warrants	245,000	670,000	6,000	34,000

The Company holds warrants to purchase up to 245,000 common shares of Gold Royalty Corp. at \$5.35 per share. Gold Royalty Corp. has the right to accelerate expiry of the warrants if the ten-day volume-weighted average price of Gold Royalty Corp. common shares exceeds \$8.02 per share. Shares received on the exercise of warrants will be subject to trading restrictions for up to one year.

The shares of Gold Royalty Corp. are traded on the NYSE American exchange but the warrants held by the Company are not publicly traded. The Company employed the Black-Scholes option-pricing model using the following assumptions to determine their fair value:

	June 30 2024	March 31 2024
Share price	\$1.91	\$2.55
Risk-free interest rate	4.90%	4.80%
Estimated volatility	45%	46%
Dividend yield	-	-
Expected life	1.43 years	1.68 years

Changes in the current period valuation assumptions resulted in a decrease of the carrying value of the warrants of \$28,000 (2023- \$45,000). This amount was charged to profit / loss.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

6. Exploration and Evaluation Properties

The Company's exploration expense in the current fiscal year comprises:

Three Months Ended June 30, 2024	Oweegee Dome \$
Acquisition and staking costs	-
Exploration costs	
Contractor and consultant	17,794
Project management fees	30,000
Field and camp	11,131
Sampling and assays	-
Transport and accommodation	5,000
Permitting and other	679
	<u>64,604</u>
	64,604

Three Months Ended June 30, 2023	Oweegee Dome \$	Gold Rush \$	Santoy \$	Empress \$	Total \$
Acquisition and staking costs	-	-	-	-	-
Exploration costs					
Contractor and consultant	28,026	-	5,280	15,520	48,826
Project management fees	30,000	-	-	-	30,000
Field and camp	1,676	1,500	12,510	857	16,543
Transport and accommodation	686	-	1,230	483	2,399
Permitting and other	1,363	-	-	4,384	5,747
	<u>61,751</u>	<u>1,500</u>	<u>19,020</u>	<u>21,244</u>	<u>103,515</u>
	61,751	1,500	19,020	21,244	103,515

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

6. Exploration and Evaluation Properties (continued)

Oweegee Dome

In July 2021, the Company entered into an agreement with ArcWest Exploration Ltd. ("ArcWest") to option up to 80% of ArcWest's Oweegee Dome porphyry copper-gold project in British Columbia's Golden Triangle.

The Company can earn an initial 60% interest in the Oweegee Dome project by funding, over a four-year period, cumulative exploration expenditures (including a 10% markup by the Company) of \$6,600,000 and by making staged cash and share payments totalling \$500,000 and 2,000,000 shares respectively and undertaking drilling on the property:

Event or Date	Cash	Shares	Cumulative Exploration Expenditures	Cumulative Drilling Commitment
	\$		\$	metres
Signing letter of intent ²	12,500	-	-	-
On TSX-V approval ²	12,500	-	-	-
December 31, 2021 ^{1,2}	25,000	300,000	600,000	-
December 31, 2022 ^{1,2}	50,000	400,000	1,600,000	1,000
December 31, 2023 ^{1,2}	100,000	600,000	3,600,000	3,000
December 31, 2024	300,000	700,000	6,600,000	6,000
	500,000	2,000,000		

¹ - Expenditure / drilling requirement satisfied

² - Paid / issued

On earning a 60% interest, Sanatana will have a 60-day period to elect to earn an additional 20% interest, for an aggregate 80% interest, or form a joint venture ("JV"). The Company may earn the additional 20% interest, the second option, by completing a feasibility study on or before December 31, 2027. In order to keep the second option in good standing, the Company must pay ArcWest \$150,000 on each anniversary of the delivery of the initial interest notice until the feasibility study has been completed and delivered to ArcWest.

Following the exercise or lapse of the option to earn an additional 20% interest, the parties will form a JV to hold and operate the properties, and each party will proportionately fund or dilute. In the event a production decision is made by the JV to place the property into production, Sanatana shall arrange project financing for the JV, the repayment of which shall be made out of cash flows from the property. Should Sanatana or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% net smelter return royalty, 1% of which may be purchased by the other party for \$5,000,000 at any time.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

6. Exploration and Evaluation Properties (continued)

Fortune Project

The Fortune Project comprises two adjacent properties, the Enid property and the Fortune property.

Enid Property

In June 2022, the Company acquired a 100% interest in the Enid property, which comprises mineral claims, in the Timmins, Ontario region. The Company paid cash of \$10,000; issued 30,000 common shares with an issue-date value of \$5,400; and provided a 2% net smelter royalty ("NSR"). The Company may purchase 1% of the NSR for \$350,000 and a further 0.5% of the NSR for \$500,000 at any time.

Fortune Property

The Company staked the Fortune property in the Timmins, Ontario region and undertook a preliminary sampling program.

Santoy and Empress Properties

The Santoy and Empress properties are gold exploration properties in Ontario to which the Company has exploration rights. The Company undertook exploration programs in the period 2017 to 2020. Comparative period expenditures represent activity necessary to complete old work and maintain rights to the properties.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

7. Equipment

	Computer Equipment	Vehicles	Equipment	Total
	\$	\$	\$	\$
Cost				
March 31, 2024 and June 30, 2024	2,983	136,133	31,658	170,774
Accumulated Depreciation				
March 31, 2024	1,408	75,742	18,314	95,464
Depreciation	247	5,931	1,261	7,439
June 30, 2024	1,655	81,673	19,575	102,903
Net book value				
March 31, 2024	1,575	60,391	13,344	75,310
June 30, 2024	1,328	54,460	12,083	67,871

8. Payables and Accruals

	June 30 2024 \$	March 31 2024 \$
Trade payables	121,734	17,236
Accrued liabilities	149,923	80,700
Due to related parties	7,101	5,001
	278,758	102,937

9. Loan Payable

In June 2023, the Company borrowed \$800,000 through a secured promissory note. The promissory note was subject to interest at 10%, payable monthly, with outstanding principal and interest due on January 31, 2024. The lender withheld \$72,000 to fund periodic interest payments. The Company pledged its British Columbia Mining Exploration Tax Credit as security and entered into a general security agreement covering all assets of the Company.

In addition to interest, the lender was paid a fee of \$8,000 and reimbursed for its disbursements. Including lender fees and disbursements, the Company incurred aggregate transaction costs of \$27,530 to establish the loan and a further \$1,256 to discharge it. The effective interest rate including establishment costs was 15.4%. In February 2024, the Company repaid the loan in full.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

10. Share Capital and Reserves

Authorized share capital

Authorized share capital comprises an unlimited number of common shares with no par value.

Common Shares

Fiscal 2025

June 2024 Private Placement

In June 2024, the Company closed three tranches of a non-brokered private placement of flow-through and non-flow-through units of the Company at a price of \$0.09 per unit and \$0.07 per unit respectively. Each flow-through unit comprised one common share of the Company designated as a flow-through share under the *Income Tax Act* (Canada) and one non-flow-through share purchase warrant. Each non-flow-unit comprised one non-flow-through share and one share purchase warrant. Each share purchase warrant allows the holder to purchase one additional non-flow-through share at a price of \$0.12 per share for a period of 36 months from the date of issuance.

In aggregate, the Company issued 14,275,000 flow-through units and 7,637,143 non-flow-through units for aggregate gross proceeds of \$1,819,350. All securities issued in connection with the private placement are subject to a statutory hold period expiring in October 2024.

In connection with the private placement, the Company paid finders' fees of \$121,060, incurred other costs of \$41,215 and issued compensation warrants which entitle the holders to purchase up to 1,422,000 non-flow-through shares in aggregate at a price of \$0.12 per share for a period 36 months. The compensation warrants were valued at \$74,700 using the Black-Scholes option-pricing model with the following assumptions:

	First Tranche	Second Tranche	Third Tranche
Number of warrants issued	553,200	184,000	684,800
Share price	\$0.095	\$0.09	\$0.09
Dividend yield	0%	0%	0%
Risk-free interest rate	3.80%	3.77%	3.77%
Estimated volatility	97%	97%	97%
Expected life in years	3	3	3

In the current period, the Company also incurred costs of \$673 related to its December 2023 private placement.

Liability to Renounce Exploration Expenditures

When the Company undertakes flow-through offerings, it can generate a liability to renounce exploration expenditures to the flow-through share investors. This liability is satisfied by incurring qualifying exploration expenditures; the reduction in liability is recognized as income for the period. The June 2024 private placement did not result in any flow-through premium liability but, at June 30, 2024, there was a remaining liability of \$28,947 from a previous flow-through financing. In the period ended June 30, 2024, the Company recognized a gain on settlement of the flow-through share premium liability of \$9,690 (2023 - \$41,400).

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

10. Share Capital and Reserves (continued)

Reserves

Reserves comprise the fair value of stock option grants, agent warrants prior to exercise and settlement of amounts with existing shareholders.

Warrants

The Company's movement in share purchase warrants was:

	Number of Warrants	Weighted Average Exercise Price
March 31, 2024	19,935,733	0.17
Issued	23,334,143	0.12
Expired	(209,400)	0.20
June 30, 2024	43,060,476	0.14

At June 30, 2024, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price
October 26, 2024	2,000,000	\$ 0.20
November 11, 2024	6,883,333	\$ 0.20
December 1, 2024	1,035,000	\$ 0.20
December 22, 2026	140,000	\$ 0.10
December 22, 2026	2,000,000	\$ 0.15
December 29, 2026	78,000	\$ 0.10
December 29, 2026	1,680,000	\$ 0.15
December 30, 2024	410,000	\$ 0.10
December 30, 2024	5,500,000	\$ 0.15
June 6, 2027	11,055,343	\$ 0.12
June 12, 2027	2,634,000	\$ 0.12
June 24, 2027	9,644,800	\$ 0.12
	43,060,476	

The weighted average remaining life of outstanding warrants at June 30, 2024 was 1.98 years (March 31, 2024 – 0.82 years).

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

11. Share-Based Payments

The Company has a rolling stock option plan that allows the Company's board of directors to issue options to purchase up to 10% of the common shares outstanding at the grant date. Directors, officers, consultants and employees of the Company are eligible to receive stock options, subject to the policies of the TSX-V. The directors may set option terms, but options granted under the plan typically have a life of five years and vest over an 18-month period. Share-based payments expense is amortized over the vesting period. The Company's shareholders reconfirmed the option plan in August 2023.

The Company did not grant any options in the period ended June 30, 2024, but granted options subsequently (see note 19).

	Number Of Options	Weighted Average Exercise Price
March 31, 2024	5,500,000	\$0.27
Forfeited or expired	(50,000)	\$0.20
June 30, 2024	5,450,000	\$0.27

At June 30, 2024, the following options were outstanding:

Exercise Price	Outstanding Options			Exercisable Options	
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life	Number	Weighted Average Exercise Price
\$0.16	600,000	\$0.16	2.32 years	600,000	\$0.16
\$0.20	2,000,000	\$0.20	2.93 years	2,000,000	\$0.20
\$0.35	2,850,000	\$0.35	1.25 years	2,850,000	\$0.35
	5,450,000	\$0.27	1.99 years	5,450,000	\$0.27

The Company incurred an expense of \$nil (2023 - \$23,100) for share-based payments in the period ended June 30, 2024.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

11. Share-Based Payments (continued)

Options granted in the comparative period were valued using the Black-Scholes option-pricing model with the following assumptions:

Period ended June 30	2023
Share price	\$0.175
Dividend yield	0%
Risk-free interest rate	3.06%
Estimated volatility	96%
Expected life in years	5

12. Related Party Transactions and Balances

The Company incurred key management and board of directors' compensation as follows:

Period ended June 30	2024	2023
	\$	\$
Short-term compensation ¹	76,834	87,142
Share-based payments	-	13,400
Total	76,834	100,542

¹ Includes \$30,000 (2023 - \$30,000) charged to exploration

Balances due to related parties that are included in accounts payable and accrued liabilities comprise:

	June 30	March 31
	2024	2024
	\$	\$
S2 Management Inc.	2,100	-
Officers	5,001	5,001
	7,101	5,001

Related party balances are due on demand, bear no interest and are current liabilities.

13. Loss per Share

The net loss per share for period ended June 30, 2024 excludes the exercise of share options and share purchase warrants that would be anti-dilutive. At June 30, 2024 no options (2023 – nil options) and no share purchase warrants (2023 - nil warrants) were in the money.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

14. Supplemental Cash Flow Information

Interest paid in cash in the period ended June 30, 2024 was \$nil (2023 - \$3,726).

Non-cash transactions included the following:

Period Ended June 30	2024 \$	2023 \$
Fair value of finders' warrants granted	74,700	-

15. Commitments

In December 2023, the Company undertook a flow-through financing that required the Company to spend \$368,000 on eligible exploration expenditures by December 31, 2024. As of June 30, 2024, the remaining obligation was \$246,519.

In June 2024, the Company undertook a flow-through financing that required the Company to spend a further \$1,284,750 on eligible exploration expenditures by December 31, 2025. The full obligation remained outstanding at June 30, 2024.

16. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2024, all exploration and evaluation properties and equipment were located in Canada.

17. Capital Management

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions. The Company defines capital as equity, consisting of the issued common shares, share purchase options and warrants. The capital structure of the Company is managed to provide sufficient funding for mineral exploration and other operating activities. Funds are primarily secured through a combination of equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, which are all held with major financial institutions.

The Company does not have any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended June 30, 2024.

Sanatana Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2024

18. Financial Instrument Risk

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash and equivalents. Cash and equivalents generate interest based on market interest rates. At June 30, 2024, the Company was not subject to significant interest rate risk.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to money market investments.

The Company manages its credit risk by investing only in obligations of any province of Canada, Canada or their respective agencies; banker's acceptances purchased in the secondary market and having received the highest credit rating from a recognized rating agency in Canada, with a term of less than 180 days; and bank term deposits and bearer deposit notes, with a term of less than 180 days.

The Company's maximum exposure to credit risk as at June 30, 2024 is the carrying value of cash and cash equivalents and receivables.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company manages capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and matching the maturity profile of financial assets to development, capital and operating needs. All payables are due within 12 months.

Fair Value

The following table presents the fair value hierarchy for the Company's financial assets and financial liabilities:

At June 30, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets:				
Short-term investments	-	6,000	-	6,000

At March 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Short-term investments	-	34,000	-	34,000

Accounts payable and accrued liabilities are carried at their amortized cost which approximates their fair value.

19. Events After the Reporting Period

Share Option Awards

In July 2024, the Company granted options to directors, officers, employees and contractors of the Company to purchase up to 4,650,000 common shares of the Company at a price of \$0.10 per share. The options are exercisable until July 9, 2029 and vest in stages with 25% vesting immediately and the remainder to vest 25% every six months from the date of the grant. Of the options granted, 3,050,000 were awarded to directors and officers of the Company. The share options were granted under the Company's share option plan.