MINES
ABCOURT
MINES INC.

ABCOURT MINES INC.
CONSOLIDATED ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2024 AND 2023

Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP
Suite 2000
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

T 514-878-2691

To the Shareholders of
Mines Abcourt Inc.

Opinion

We have audited the consolidated financial statements of Mines Abcourt Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting standards").

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 consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

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

Information other than the consolidated financial statements and the auditor's report thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Raymond Chabot Grant Thornton LLP[1]

Montréal
October 22, 2024

---

[1] CPA auditor, public accountancy permit no. A115879

ABCOURT MINES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT,

(In Canadian dollars)

	Notes	June 30 2024	June 30, 2023
		$	$
ASSETS			
Current assets			
Cash		757,753	963,974
Receivables	7	348,960	1,065,924
Prepaid expenses		353,595	99,416
Inventory	8	1,212,493	462,312
Refundable credit on mining rights and refundable tax credit for resources		466,592	251,439
Total current assets		3,139,393	2,843,065
Non-current assets			
Deposit		211,683	-
Deposits for restoration	13	2,024,708	5,892,494
Property, plant and equipment	9	8,688,199	8,665,324
Total non-current assets		10,924,590	14,557,818
Total assets		**14,063,983**	17,400,883
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	6,398,727	5,570,250
Deferred revenue		38,641	-
Mining taxes payable		515,548	57,418
Current portion of a lease obligation	11	17,221	-
Current portion of long-term debt	12	1,116,667	1,520,908
Other liabilities		-	170,712
Total current liabilities		8,086,804	7,319,288
Lease obligation	11	31,499	-
Long-term debt	12	150,000	333,333
Provisions for the restoration of mining sites	13	12,079,816	11,616,198
Total liabilities		20,348,119	19,268,819
NEGATIVE EQUITY			
Share capital	14	57,551,585	52,464,386
Contributed surplus	15	7,650,641	7,374,384
Warrants		2,623,249	621,918
Deficit		(74,109,611)	(62,328,624)
Total equity		(6,284,136)	(1,867,936)
Total liabilities and negative equity		**14,063,983**	17,400,883

ON BEHALF OF THE BOARD,

(s) Pascal Hamelin, President and Chief Executive Officer and Director   (s) Loïc Bureau, Director

ABCOURT MINES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED JUNE 30,
(in Canadian dollars)

	Notes	2024 $	2023 $
Revenues	16	265,120	7,014,583
Operating mining costs		-	4,209,802
Amortization and depletion		-	25,997
Costs of sales		-	4,235,799
GROSS MARGIN		265,120	2,778,695
EXPENSES			
Administration	17	3,762,272	2,128,357
Care and maintenance expenses		2,702,092	4,046,339
Exploration and evaluation expenses	17	4,682,986	1,644,117
Total expenses		11,147,350	7,818,813
OPERATING EARNINGS		(10,882,230)	(5,040,118)
FINANCE COSTS AND INCOME			
Finance income		(74,461)	(59,473)
Finance costs		599,372	298,981
		524,911	239,508
EARNINGS BEFORE INCOME AND MINING TAXES		(11,407,141)	(5,279,626)
Deferred mining and income taxes	18	178,430	57,418
NET EARNINGS AND COMPREHENSIVE INCOME		(11,585,571)	(5,337,044)
NET EARNINGS PER SHARE			
Basic and diluted		(0.02)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic and diluted		492,313,234	357,492,812

ABCOURT MINES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in Canadian dollars)

	Notes	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
		$	$	$	$	$
Balance as at June 30, 2023		**52,464,386**	**621,918**	**7,374,384**	**(62,328,624)**	**(1,867,936)**
Net earnings and comprehensive income		-	-	-	(11,585,571)	(11,585,571)
Units issued	14 – 15	5,023,704	1,978,166	-	-	7,001,870
Payment of a royalty	14 – 15	63,495	23,165			86,660
Share purchase options issued	14 – 15	-	-	275,357	-	275,357
Share issuance costs		-	-	900	(195,416)	(194,516)
Balance as at June 30, 2024		**57,551,585**	**2,623,249**	**7,650,641**	**(74,109,611)**	**(6,284,136)**

	Notes	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
Balance as at June 30, 2022		**46,186,602**	**340,900**	**7,197,317**	**(56,851,166)**	**(3,126,347)**
Net earnings and comprehensive income		-	-	-	(5,337,044)	(5,337,044)
Units issued	14 – 15	331,053	62,197	-	-	393,250
Flow-through units issued	14 – 15	796,125	191,163	-	-	987,288
Share purchase options issued	14 – 15	-	-	11,758	-	11,758
Share issuance costs		-	-	13,800	(140,414)	(126,614)
Acquisition of Pershimex	14 – 3	5,150,606	27,658	151,509	-	5,329,773
Balance as at June 30, 2023		**52,464,386**	**621,918**	**7,374,384**	**(62,328,624)**	**(1,867,936)**

ABCOURT MINES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,
(in Canadian dollars)

	Notes	2024	2023
		$	$
OPERATING ACTIVITIES			
Net earnings		(11,585,571)	(5,337,044)
Items not affecting cash:			
Accretion expense		437,746	245,273
Share-based compensation		275,357	11,758
Amortization and depletion		165,854	144,510
Interests on lease obligations		901	-
Change in fair value of investments		-	1,630
Change to estimates for the impaired mining assets		130,398	-
Exploration and evaluation expenses through the issuance of shares		-	5,484,864
Impairment of property, plant and equipment		-	2,286
Deferred taxes		(170,712)	-
		(10,746,027)	553,277
Changes in non-cash working capital items	6	589,079	(632,920)
		(10,156,948)	(79,643)
FINANCING ACTIVITIES			
Issuance of units		7,001,870	393,250
Issuance of flow-through units		-	1,158,000
Share issuance costs		(99,083)	(126,614)
Repayment of long-term debt		(587,574)	(624,387)
Payments on lease obligation		(6,003)	-
		6,309,210	800,249
INVESTING ACTIVITIES			
Deposit for restoration		3,867,786	-
Supplier deposit		(211,683)	-
Proceeds from sale of investments		-	5,962
Acquisition of Pershimex		-	101,565
Acquisition of property, plant and equipment		(239,433)	(584,671)
Credit on mining rights refundable and refundable tax credit for resources		224,847	-
		3,641,517	(477,144)
NET CHANGE IN CASH		(206,221)	243,462
CASH, AT THE BEGINNING		963,974	720,512
CASH, AT THE END		757,753	963,974

(In Canadian dollars)

1- INCORPORATION AND NATURE OF ACTIVITIES

Abcourt Mines Inc. (together, with its subsidiary, the « Company ») was incorporated by letters patent of amalgamation in January 1971 and continued under Part 1A of the Quebec Companies Act in March 1981. On February 14, 2011, the Company was automatically continued under Business Companies Act (Quebec) following the coming into force of this law. The Company is engaged in the acquisition, exploration and evaluation, development and operating of mining properties in Canada, primarily gold. Its shares are trading on the TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The Company's head office is located at 475 De l'Eglise Avenue, Rouyn-Noranda, (Quebec) J0Z 1Y0.

These consolidated financial statements were approved for issue by the Board of Directors on October 22, 2024.

2- GOING CONCERN

The concolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its commitments and liabilities in the normal course of business.

The Company's ability to ensure the continuity of its operations relies on the realization of its assets and on additional financing. Since June 30, 2024, the company has raised $5,752,000 (See note 22). Despite the Company's ability to obtain financing in the past, there can be no assurance that it will be able to obtain financing in the future, and there can be no assurance that such financing will be available on terms acceptable to the Company. The Company has not yet determined whether the mining properties contain ore reserves that can be economically exploited and has not yet generated operating revenues. Recovery of the cost of mineral properties depends on the ability to economically exploit the ore reserves, obtaining the necessary financing for the exploration of these properties and bringing them into commercial production or proceeds from the sale of the properties. As at June 30, 2024, the Company has a deficit of $74,109,611, cash of $757,753 and negative working capital of $4,947,411.

These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect the adjustments that would be necessary to the carrying amount of assets and liabilities, the amounts reported for revenues and expenses, and the classifications of items in the statement of financial position if the going concern assumption were not appropriate. These adjustments could be material.

3- ACQUISITION OF PERSHIMEX

On May 11, 2023, the Company acquired all the shares of Pershimex Resources Corp. Inc. (« Pershimex »). The Company issued 79,294,373 common shares to shareholders of Pershimex. In addition, the Company issued 5,997,600 share purchase options and 8,616,960 warrants in compensation for the unexpired share purchase options and warrants of Pershimex. The fair value of issued shares, share purchase options and warrants on the acquisition date is $5,329,773.

Management has concluded that Pershimex does not meet the definition of a business because the assets and activities acquired do not include a substantial process and there are no outputs, therefore the transaction was accounted for as an asset acquisition. The fair value of the shares issued as consideration was determined based on the market price of the share. The fair value of the warrants and share purchase options was established using the Black-Scholes valuation model (See notes 14 and 15 for more details).

The following table details the acquisition of Pershimex's assets:

	$
Fair value of consideration transferred:	
Shares consideration	5,150,606
Share purchase option consideration	151,509
Warrant consideration	27,658
Total consideration transferred	5,329,773
Fair value allocated	
Cash	101,565
Listed shares	7,592
Receivables	14,630
Prepaid expenses	11,907
Refundable credit on mining rights and refundable tax credit for resources	251,439
Total current assets	387,133
Deposits for restoration	24,708
Total non-current assets	24,708

3- ACQUISITION OF PERSHIMEX (continued)

Fair value attributed (continued)

Accounts payable and accrued liabilities	(566,932)
Total current liabilities	(566,932)
Total identifiable assets and liabilities	(155,091)
Exploration and evaluation expenses	5,484,864
Total fair value allocated	5,329,773

4- NEW OR REVISED STANDARDS AND INTERPRETATIONS

New and revised IFRSs issued but not yet effective

At the date of authorization for publication of these consolidated financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or interpretations have been adopted early by the Company

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE

Statement of compliance

These consolidated financial statements of Abcourt Mines Inc. were prepared by management in accordance with International Financial Reporting Standards ("IFRS") in effect as at June 30, 2024. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary Pershimex. A subsidiary is an entity over which the Company exercises control. The Company controls an entity when it has power over it, when it is exposed to or is entitled to variable returns from its participation in the entity and can influence those returns.

Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. All intercompany transactions, balances, revenues and expenses are eliminated upon consolidation.

Functional currency

The reporting currency and the currency of all of the Company's transactions is the Canadian dollar, since it represents the currency of the primary economic environment in which the Company operates.

Currency conversion

The Company's consolidated financial statements are reported in Canadian currencies, which is the functional currency. Transactions in foreign currencies are converted at the exchange rates prevailing at the time they are made. At each closing date, monetary assets and liabilities denominated in foreign currencies are converted at the closing prices. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences related to operating activities are recorded in earnings of the period; exchange differences related to financing transactions are recognized in profit or loss or in equity.

Tax credit relating to resources and government assistance

The Company is entitled to a resource tax credit on eligible exploration and evaluation expenses incurred in the province of Quebec. These amounts are recognized based on management's estimates and if the Company is reasonably assured that they will be received. At this time, the resource tax credit and the mining duties credit are recognized as a reduction of exploration and evaluation expenses in the statement of comprehensive income.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Inventory

Inventories consist of gold and silver inventories (gold and silver doré and in circuit), ore stockpiles and mine supplies. Inventories are carried at the lower of cost and net realizable value. The cost of the gold and silver inventories and ore stockpiles is determined using the weighted average cost based on normal production capacity. The cost of gold and silver inventories and ore stockpiles includes all costs incurred in bringing each product to its present location and condition The Cost of gold and silver inventories and ore stockpiles include includes direct costs of materials and labour related directly to mining and processing activities and production process and directly attributable overhead costs. The cost of mine supplies is determined using the first in, first out cost method

Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses.

Revenue recognition

Revenue includes gold and silver sales and other revenues.

Revenue from the sale of refined gold and silver is recognized when control of the gold and silver is transferred to the customer. This is when there is a binding agreement to sell the gold and silver to the customer at a specific price and the Company gave irrevocable instructions to deliver the refined gold and silver to the customer. Following the transmission of the instructions to deliver the gold and silver, the customer has control over the product and the Company has no further unrealized obligations affecting the acceptance of the product. The payment is due and generally received on the settlement date.

Milling revenue is recognized when the ore processing service is performed by the Company, accepted by the client and collection is reasonably assured. The performance obligations are satisfied when milling services have been completed. At this point in time, the Company physically transfers the milled products, and the significant risks and rewards related to the metals to the customers.

Exploration and evaluation expenses

Exploration and evaluation expenses are the costs incurred in the initial search for mineral deposits with economic potential. Expenditures incurred before the entity has obtained the legal rights to prospect a specific area are accounted for as an expense.

Costs related to the acquisition of mining properties and exploration and evaluation expenses are recognized as an expense in the statement of the consolidated income until the technical feasibility and commercial viability of the extraction of a mineral resource are demonstrated. The item “Exploration and evaluation expenses” includes costs and exploration tax credits that are directly attributable to the research and analysis of existing exploration data, conducting geological studies, exploratory drilling and sampling, the examination and testing of extraction and processing methods and the compilation of pre-feasibility and feasibility studies. Exploration expenses relate to initial search for deposit. Project evaluation expenses consist of a detailed assessment of deposits or other projects that have already been identified as having geological potential. The item also includes proceeds from the sale of royalties on properties net of costs from the sale of the royalty.

When the technical feasibility and commercial viability of extracting a mineral resource can be demonstrated, the costs are then capitalized and classified as mining assets under development in property, plant and equipment. Capitalization of expenses begins when management and the board of directors have determined that a project has demonstrated a potential for development and an economic analysis, which will be presented to, and formally approved by the board of directors, demonstrates the commercial viability and economic benefits of the project.

Although management has engaged a qualified person to verify titles of the mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements. There is no indication to this day that these situations may exist.

Impairment of long-term assets

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

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of the fair value less costs of sell and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying amount exceeds the recoverable value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Property, plant and equipment.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated losses.

Historical cost includes expenses directly attributable to the acquisition or construction of the asset, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the property, plant and equipment asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with that asset will flow to the Company and the cost can be measured reliably.

Mining assets under development

Costs incurred on properties identified as having technical feasibility and commercial viability are capitalized as property, plant and equipment under this category and are not amortized. Costs include all mine development expenditures necessary to bring the property to commercial production and are accounted for net of secondary products generated during the advanced exploration phase. When commercial production is reached, the costs are transferred to the various categories of property, plant and equipment of mining sites in production.

Depletion of mining sites in production

Property, plant and equipment of mining sites in production are depleted using the units-of-production method in order to write down the cost to estimated residual value, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method and/or declining method is applied. The depletion rate of the Elder mine is calculated in accordance with the number of ounces of gold sold using measured and indicated resources. The depletion calculation also takes into account future developments and equipment costs necessary to access these resources. The depletion rate for the Sleeping Giant mill is calculated based on the number of tonnes of ore processed using the estimated mineral resources.

Depreciation – other property, plant and equipment

Depreciation of an asset begins when it is available for use, i.e. as soon as it is in the location and in the condition for it to be capable of operating in the manner intended by management. Depreciation of property, plant and equipment is calculated according to the estimated useful life of the asset using the linear and / or declining method and at the following rates:

Mobile equipment	Linear 20% /
	Declining balance 30%
Building	Linear 33%
Furniture and production equipment	Declining balance 20%
Computer equipment	Linear 30%
Equipment	Linear 10% – 20%

The estimated useful life, residual values, the mineral resources and depreciation method are reviewed at the end of each financial year-end and the impact of any change in estimates is recognized prospectively.

Upon disposal or abandonment, the carrying amounts of property, plant and equipment are derecognized and any associated gains or losses are recognized in proft or loss.

Financial instruments

Recognition, initial measurement and derecognition

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

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all material risks and rewards are transferred.

A financial liability is derecognized when extinguished, discharged, canceled or when it expires.

5- **MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE** (continued)

Financial instruments (continued)

Classification and initial measurement of financial assets

Financial assets are measured initially at fair value adjusted for transaction costs, if any.

The financial assets are classified into the following category:

- at amortized cost;

The classification is determined by both:

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

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

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

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

After their initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash, accounts receivable and other receivables fall into this category of financial instruments.

Impairment of financial assets

The impairment provisions of IFRS 9 use forward-looking information, i.e. the expected credit loss model.

The recognition of credit losses is not dependent on the identification of credit loss event by the Company. Rather, the latter must take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect the expected recoverability of future cash flows of the financial instrument.

The measurement of expected credit losses is determined by probability-weighted estimate of credit losses over the expected life of the financial instrument.

Receivables and other receivables

The Company make use of a simplified approach in accounting for receivables and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any time during the life of the financial instrument. The Company uses past experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include accounts payable, accrued liabilities (except salaries and holidays payable and amounts due to governments) as well as long-term debt.

Financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All expenses related to financial liabilities are in profit or loss within finance costs.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

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

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

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Provisions for restoration of mining sites

The Company is subject to environmental laws and regulations enacted by federal and provincial authorities. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining site obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

Future costs are discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. A corresponding asset is recognized in the related mining asset when establishing the provision.

The provision is reviewed annually to reflect changes in the estimated outflow of resources as a result of changes in obligations or legislation, changes in the current market-based discount rate or an increase that reflects the passage of time. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset. Costs of restoration of mining sites are deducted from the provision when incurred (see note 13).

Share-based compensation

The Company operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values unless that fair value cannot be estimated reliably. In that case the fair value of goods and services received will be valued according to the fair value of the equity instrument granted. Where employees or third-party providing services similarly to those of employees, are rewarded using share-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except for warrants and options issued to brokers and intermediaries) are ultimately recognized as an expense in the profit or loss, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants and options issued to brokers and intermediaries are recorded as issuance cost of financial equity instruments and the counterpart as contributed surplus within equity.

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

Share capital

The share capital represents the amount received on the issuance of shares. When shares are issued following the exercise of share purchase options or warrants, this item also includes compensation recognized or the value of warrants recognized previously in contributed surplus and warrants.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Issuance of Units

Proceeds from unit issuances are allocated between shares and warrants issued using the relative fair value method. The Company uses the Black-Scholes valuation pricing model to determine the fair value of warrants issued.

Flow-through shares

The Company considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions to the benefit of investors. The proceeds received from flow-through placements are allocated between share capital and other liability using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Other equity items

Contributed surplus includes charges related to share purchase options until such equity instruments are exercised and charges related to warrants expired. When options are exercised, corresponding compensation costs are transferred to share capital.

Warrants included expenses relating to warrants until the exercise of the warrants. When the warrants are exercised, corresponding compensation are transferred to share capital. When the warrants are expired, the corresponding charges are transferred to contributed surplus.

Deficit includes all current and prior period retained profits or losses, less issuance costs net of any income tax benefit on the related issuance expenses.

Basic and diluted earning per share

Basic earnings per share is calculated by dividing the earnings attributable to class « B » shares holders of the Company by the weighted average number of class « B » shares outstanding during the period. Diluted earnings per share are calculated by adjusting the earnings attributable to class « B » shares holders of the Company as well as the weighted average number of class « B » shares outstanding, for the effects of all dilutive potential class « B » shares which include share purchase options and warrants. Dilutive potential class « B » shares shall be deemed to have been converted into class « B » shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential class « B » shares.

See note 15 for the information on the dilutive potential share purchase options and warrants outstanding. In 2024 and 2023, no options were considered given their anti-dilutive effect on earnings per share.

Income taxes and deferred taxes

Tax expenses recognized in profit or loss comprises the sum of current tax and deferred tax not recognized directly in equity. Tax expenses include also mining taxes.

Current tax is payable on taxable profit and is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured, without discounting, at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used.

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

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, or directly in equity, in which case the related deferred tax is also recognized in equity.

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Segmented information

The Company presents and discloses segmented information based on information regularly reviewed by key operational decision makers, i.e. the president and the board of directors.

The Company has determined that there is one segment, namely the acquisition, exploration and evaluation of mining properties. All the Company activities are conducted in Canada.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to use good judgment and to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision of accounting estimates is recognized in the period in which the estimates are revised as well as in future periods affected by these revisions.

Key sources of uncertainty for estimations

a) Basis of depletion of mining sites in production

The mining sites in production are depleted according to the units-of-production method to write down the cost to residual value. Management estimates the residual value of property, plant and equipment. The depletion rate is based on the Company' s mineral resources, in ounces and in tonnes. The mineral resources are estimates of the amount of ore that can be extracted from the Company's properties. The estimating of mineral resources is a subjective process and the accuracy of the mineral resources is a function of the quantity and quality of available data, and the assumptions used and judgments made interpreting geological model. Changes in the assumptions used in estimating the mineral resources may affect the net value of property, plant and equipment, provisions for restoration of mining sites and the amortization and depletion expense.

b) Impairment of property, plant and equipment

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

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. No devaluation in 2024 and 2023

c) Evaluation of the tax credit relating to resources and credit for mining rights

Credit related to resources and mining duties credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their reimbursement. In 2024, the Company recorded a resources tax credit and a credit on duties refundable for losses totaling $440,000.

The calculation of these credits necessarily involves a degree of estimation and judgment in respect of certain elements whose tax treatment cannot be determined with certainty until a notice of assessments and payments have been received from the relevant taxation authority. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credits relating to resources, to mining duties credits refundable, to exploration and evaluation expenses and to income tax expense in future years.

The amounts recognized in the consolidated financial statements are based on the Company's management's best estimates and judgment as described above. However, the inherent uncertainty as to the ultimate outcome of these elements means that the eventual resolution could differ from the accounting estimates and thus have an impact on the financial position of the Company and its cash flow. In 2016, the Company received notices of reassessments following the audit by the tax authorities tax credits relating to resources as well as mining rights for the taxation years 2011, 2012, 2013 and 2014. The Company filed notices of objection with respect to these new notices of assessment. The amounts claimed have been recognized in accounts payable and accrued liabilities and amount to $1,434,936 (see Note 22).

5- MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (continued)

Significant accounting judgments, estimates and assumptions (continued)

d) Provisions related to the restoration of mining sites

The Company annually assesses its provisions for the restoration of mining sites. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. These factors include estimates of the extent and cost of restoration activities, legislative changes, known environmental impacts, the effectiveness of repair and restoration measures and changes in the discount rate. These uncertainties may lead to discrepancies between the actual expenses and the amounts provisioned.

e) Share-based compensation

The fair value of share purchase options granted to employees is determined using the Black-Scholes pricing model that considers the exercise price and expected life of the option, the current price of the underlying share, its expected volatility, expected dividends on the share and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates aim to approximate the expectations that would likely be reflected in a current market or negotiated exchange price for the option. During the year, an amount of 275 357 $ ($11,758 in 2023) was recorded as share-based compensation following the granting of 19,000,000 share purchase options (1,000,000 share purchase options in 2023).

Critical judgments in the application of accounting policies

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

Management regularly assesses the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement.

b) Going Concern

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

c) Purchase of Pershimex

Management must exercise judgment to assess whether the acquired company meets the definition of a business.

d) Beginning of the development phase

The Company evaluates the potential of each project to determine when it should progress from the exploration and evaluation phase to the development phase. Technical feasibility and commercial viability will be considered achieved when the Company has met the following conditions:

- Obtaining a pre-feasibility or technical feasibility and commercial viability study
- Decision of the Company on this basis to proceed to the development phase
- Obtaining mining permits
- Obtain the necessary funding to carry out the development plan

Once management has determined that a project has demonstrated development potential based on these criteria and once approved by the board of directors, the project enters the development phase. During the year, management established that it had not demonstrated the technical feasibility or economic viability of its Sleeping Giant project and classified the project as an exploration and evaluation project.

(in Canadian dollars)

6- ADDITIONAL INFORMATION ON CASH FLOWS

Net change in non-cash working capital items	**2024**	2023
	$	$
Account receivable	716,964	(713,891)
Prepaid expenses	(254,179)	(43,170)
Inventory	(750,181)	1,834,407
Credit on mining rights refundable and refundable tax credit for resources	(440,000)	-
Accounts payable and accrued liabilities	819,704	(1,610,214)
Deferred revenue	38,641	-
Income tax payable	458,130	(100,052)
	589,079	(632,920)

As at June 30, 2024, no amount was paid in taxes ($157,470 as at June 30, 2023).

Items not affecting cash:

	2024	2023
	$	$
Warrants granted to investors	2,001,331	281,018
Warrants granted to intermediaries	900	13,800
Shares issued for the acquisition of Pershimex	-	5,150,606
Warrants issued for the acquisition of Pershimex	-	27,658
Share purchase options issued for the acquisition of Pershimex	-	151,509
Payment of a royalty payable by the issue of units	86,660	-
Unpaid share issue expenses	95,433	-

7- RECEIVABLES

	2024	2023
	$	$
Commodity taxes	285,834	1,065,924
Other receivables	63,126	-
	348,960	1,065,924

8- INVENTORY

	2024	2023
	$	$
Gold and silver inventories	773,000	-
Mines supplies	439,493	462,312
	1,212,493	462,312

As at June 30, 2023, an amount of 1,831,788 was recognized in profit or loss.

(in Canadian dollars)

9- PROPERTY, PLANT AND EQUIPMENT

	Cost				Accumulated Amortization			**2024**
	June 30, 2023	Addition	Provision for restoration adjustment	June 30, 2024	June 30, 2023	Amortization	June 30, 2024	Net Book Value
	$	$		$	$	$	$	$
Corporate								
Office furniture	63,529	-	-	63,529	36,666	5,849	42,515	21,014
Computer equipment	39,048	2,725	-	41,773	18,592	11,097	29,689	12,084
	102,577	2,725	-	105,302	55,258	16,946	72,204	33,098
Elder mine site								
Land	37,263	-	-	37,263	-	-	-	37,263
	37,263	-	-	37,263	-	-	-	37,263
Sleeping Giant site								
Mill and production equipment	8,764,598	176,137	(84,666)	8,856,069	1,982,439	-	1,982,439	6,873,630
Land	19,000	-	-	19,000	-	-	-	19,000
Mobile equipment	526,355	2,184	-	528,539	438,992	35,588	474,580	53,959
Computer equipment	163,646	3,955	-	167,601	69,404	46,333	115,737	51,864
	9,473,599	182,276	(84,666)	9,571,209	2,490,835	81,921	2,572,756	6,998,453
Exploration								
Land	55,000	-	-	55,000	-	-	-	55,000
Buildings	1,486,198	9,655	(19,860)	1,475,993	237,360	5,307	242,667	1,233,326
Equipment	412,774	44,777		457,551	118,634	55,700	174,334	283,217
	1,953,972	54,432	(19,860)	1,988,544	355,994	61,007	417,001	1,571,543
Right-of-use asset								
Mobile equipment	-	53,822	-	53,822	-	5,980	5,980	47,842
	-	53,822	-	53,822	-	5,980	5,980	47,842
	11,567,411	293,255	(104,526)	11,756,140	2,902,087	165,854	3,067,941	8,688,199

(in Canadian dollars)

9- PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost						Accumulated Amortization				**2023**
	June 30, 2022	Addition	Provision for restoration adjustment	Transfer	Impairment	June 30, 2023	June 30, 2022	Amortization	Transfer	June 30, 2023	Net Book Value
	$	$		$	$	$	$	$	$	$	$
Corporate											
Office furniture	-	13,172	-	50,357	-	63,529	-	4,383	32,283	36,666	26,863
Computer equipment	-	20,202	-	18,846	-	39,048	-	8,265	10,327	18,592	20,456
	-	33,374	-	69,203	-	102,577	-	12,648	42,610	55,258	47,319
Elder mine site											
Land	37,263	-	-	-	-	37,263	-	-	-	-	37,263
Furniture and equipment	50,357	-	-	(50,357)	-	-	32,283	-	(32,283)	-	-
Elder Mine	-	2,286	-	-	(2,286)	-	-	-	-	-	-
Computer equipment	18,846	-	-	(18,846)	-	-	10,327	-	(10,327)	-	-
	106,466	2,286	-	(69,203)	(2,286)	37,263	42,610	-	(42,610)	-	37,263
Sleeping Giant site											
Mill and production equipment	4,273,750	282,857	4,207,991	-	-	8,764,598	1,978,357	4,082	-	1,982,439	6,782,159
Land	19,000	-	-	-	-	19,000	-	-	-	-	19,000
Mobile equipment	477,225	49,130	-	-	-	526,355	400,441	38,551	-	438,992	87,363
Computer equipment	58,399	105,247	-	-	-	163,646	33,751	35,653	-	69,404	94,242
	4,828,374	437,234	4,207,991	-	-	9,473,599	2,412,549	78,286	-	2,490,835	6,982,764
Exploration											
Land	55,000	-	-	-	-	55,000	-	-	-	-	55,000
Buildings	467,141	21,224	997,833		-	1,486,198	234,325	3,035	-	237,360	1,248,838
Equipment	322,221	90,553	-	-	-	412,774	68,093	50,541	-	118,634	294,140
	844,362	111,777	997,833	-	-	1,953,972	302,418	53,576	-	355,994	1,597,978
	5,779,202	584,671	5,205,824	-	(2,286)	11,567,411	2,757,577	144,510	-	2,902,087	8,665,324

(in Canadian dollars)

10- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	$	$
Accounts payable	3,727,790	3,396,451
Royalties payable	250,289	501,451
Salaries and vacations payable	630,137	226,336
Payable to governments	1,790,511	1,446,012
	6,398,727	5,570,250

11- LEASE OBLIGATION

	2024
	$
Lease obligations included in the statement of financial position	
Balance at the beginning of the period	-
Addition	53,822
Interest	901
Payments	(6,003)
Balance at the end of the period	48,720
Current portion of lease obligation	(17,221)
Lease obligation	31,499
Maturity analysis – contractual undiscounted cash flows	
Less than one year	19,512
One to five years	33,020
Total undiscounted lease obligation	52,532

12- LONG-TERM DEBT

	2024	2023
	$	$
Loan authorized for a maximum amount of $3,000,000 bearing interest at fixed rates of 7.16 % and 7.25 % (7.25% and 7.26% as at June 30, 2023) and prime rate plus 1.5% (7.95% as at June 30, 2024; fixed rate of 5.66% at June 30, 2023) maturing in January and June 2025 and February 2026, secured by a first rank hypothec of $3,000,000 on equipment and mobile equipment of the Sleeping Giant mine and mill facility and a mortgage of $250,000 on accounts receivable and inventory and on the universality of movable property.	1,266,667	1,850,000
Loan bearing interest at a fixed rate of 7.33%, matured in August 2023.	-	4,241
	1,266,667	1,854,241
Current Portion	(1,116,667)	(1,520,908)
	150,000	333,333

(in Canadian dollars)

12- LONG-TERM DEBT (continued)

Reconciliation of movements of long-term debt to cash flows arising from financing activities :

	2024	2023
	$	$
Balance, beginning of year	1,854,241	2,478,628
Cash flows		
Repayment of long-term debt	(587,574)	(624,387)
Balance, end of the year	1,266,667	1,854,241

As at June 30, 2024 and 2023, the principal payments required in the next years are as follows:

Within one year	1,116,667	1,520,908
More than one year and less than five years	150,000	333,333

13- PROVISIONS FOR RESTORATION OF MINING SITES

The following table sets forth the variation in the provisions for restoration of mining sites:

	2024	2023
	$	$
Balance, beginning of the year	11,616,198	6,165,101
Change to estimates	25,872	5,205,824
Accretion expenses	437,746	245,273
Balance, at the end of the year	12,079,816	11,616,198

The inflation rate used to determine the future value is 2.59% et 3.17% (2.40% and 2.87% as at June 30, 2023), while the rate reflecting current market assessments (adjusted to take into account the risks specific to this liability) used to determine the present value of the provisions is 3.55% et 4.05% (3.50% and 4.68% as at June 30, 2023). The payments schedule was determined by taking into account the measured and indicated resources, the estimated annual production level and the estimated mine life.

The schedules of the estimated cash flows of future restoration costs of the Elder and Sleeping Giant sites were revised following the update of the resources and their estimated life as well as the revision of the future restoration costs of the Elder and Sleeping Giant sites. During the years 2024 and 2023, the Company revised upwards the future restoration costs of the Sleeping Giant site. Total future costs were estimated at $12,212,697 ($12,027,338 in 2023). Revised estimates have been recognized in property, plant and equipment. In May 2024, the Ministry of Natural Resources and Forestry (« MNRF ») approved the new plan.

During the year, the Company revised upwards the future restoration costs of the Elder mine site, the total undiscounted future costs were estimated at $704,425. Revised estimates have been recognized in net income, as the mining asset was fully impaired in 2022. In 2024, the revised restoration costs for the Elder mine have been approved by the MNRF.

The following table presents the estimated undiscounted cash flows arising from future restoration costs used in the calculation of provisions related to mine site restoration as at June 30, 2024.

	Estimated total cash flows	Scheduled cash outflows
	$	
Elder site	711,912	2025
Sleeping Giant site	15,311,339	2032
	16,023,251	

(in Canadian dollars)

13- PROVISIONS FOR RESTORATION OF MINING SITES (continued)

The following table sets forth the distribution of provisions for restoration of mining sites:

	2024	2023
	$	$
Elder site	701,132	546,225
Sleeping Giant site	11,378,684	11,069,973
	12,079,816	11,616,198

Deposits for restoration

Deposits for restoration include the following items:

	2024	2023
	$	$
Term deposit, 2.6%, maturing April 2025	2,000,000	-
Deposits with the Quebec government	24,708	5,892,494
	2,024,708	5,892,494

The Company is required to provide the MNRF with financial guarantees covering the cost of restoring the mine sites. During the year, the Company entered into an agreement with an insurance company to provide bonds to the MNRF for the financial guarantees in accordance with the requirements of the restoration plans approved by the MNRF en 2024. In 2023, the Government of Quebec held security deposits primarily for the Sleeping Giant and Elder mining sites. Under the terms of the bonding agreement, the insurance company guarantees to the MNRF the restoration costs as set out in the restoration plans. Under the terms of the agreement, the Company has provided an irrevocable letter of credit from a Canadian bank equivalent to approximately 50% of the value of the bond. This bond is also secured by a $3,700,000 mortgage on the Sleeping Giant property. The letter of credit is secured by a term deposit for the same amount.

As at June 30, 2024, financial guarantees of $5,971,805 ($5,370,214 for the Sleeping Giant mine and $601,019 for the Elder mine) have been issued to the MRNF.

Following the increase in restoration costs at the Sleeping Giant mine, the financial guarantee required by the MNRF is $12,212,697, with two instalments of $1,710,621 due in March 2025 and 2026. As at June 30, 2024, the Company has not paid the MNRF the financial guarantee of $3,421,242 due in June 2024, and is therefore in default in this regard.

As a result of the increased restoration costs at the Elder mine, the financial guarantee required by the MNRF is $704,425. The Company is required to make two payments of $51,713, in February 2025 and 2026.

(in Canadian dollars)

14- SHARE CAPITAL

Authorized
Unlimited number of preferred shares without par value which may be issued in one or more series; the privileges, rights, conditions and restrictions will be determined by the Board of Directors (none outstanding).

Unlimited number of subordinate Class « A » shares, without par value, non-voting (none outstanding).
Unlimited number of Class « B » shares», without per value, with voting rights.
Changes in the Company Class « B » share capital were as follows:

	2024		2023	
	Number	Amount	Number	Amount
		$		$
Balance, at the beginning	428,108,504	52,464,386	328,289,131	46,186,602
Common shares issued	152,938,150	5,023,704	6,050,000	331,053
Flow-through shares issued	-	-	14,475,000	796,125
Issuance of shares in payment of royalties	2,166,506	63,495	-	-
Acquisition of Pershimex	-	-	79,294,373	5,150,606
Balance, at the end	583,213,160	57,551,585	428,108,504	52,464,386

Year ended June 30, 2024

On June 27, 2024, the Company completed the fifth and final tranche of a private placement consisting of 12,551,400 units at a price of $0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $627,570 was presented net of the fair value of the warrants, in the amount of $186,058.

On May 31, 2024, the Company completed the fourth tranche of a private placement consisting of 21,200,000 units at a price of $0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $1,060,000 was presented net of the fair value of the warrants, in the amount of $309,799.

On April 30, 2024, the Company completed the third tranche of a private placement consisting of 7,648,312 units at a price of $0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $382,416 was presented net of the fair value of the warrants, in the amount of $105,363.

On April 23, 2024, the Company completed the second tranche of a private placement consisting of 18,310,000 units at a price of $0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $915,500 was presented net of the fair value of the warrants, in the amount of $271,738.

On March 26, 2024, the Company completed the first tranche of a private placement consisting of 28,724,688 units at a price of $0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $1,436,234 was presented net of the fair value of the warrants, in the amount of $403,213.

In connection with the private placement, the Company paid a cash commission of $500 and issued 10,000 warrants to a broker. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of $0.05 for a period of 3 years from the date of issuance of the warrant.

On December 15, 2023, the Company completed the fourth and final tranche of a private placement consisting of 6,250,000 units at a price of $0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $250,000 was presented net of the fair value of the warrants, in the amount of $67,454.

On November 16, 2023, the Company completed the third tranche of a private placement consisting of 5,225,000 units at a price of $0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $209,000 was presented net of the fair value of the warrants, in the amount of $60,289.

14- SHARE CAPITAL (continued)

On October 20, 2023, the Company issued 2,166,506 units at a price of $0.04 per unit in payment of a 2% NSR on the sleeping Giant property. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant. The gross amount of $86,660 was presented net of the fair value of the warrants, in the amount of $23,165.

On October 12, 2023, the Company completed the second tranche of a private placement consisting of 13,460,000, units at a price of $0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $538,400 was presented net of the fair value of the warrants, in the amount of $136,578.

On September 6, 2023, the Company completed the first tranche of a private placement consisting of 39,568,750, units at a price of $0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $1,582,750 was presented net of the fair value of the warrants, in the amount of $437,674.

In connection with the private placement, the Company paid a cash commission of $1,800 and issued 45,000 warrants to a broker. Each warrant entitles its holder to purchase one unit at the exercise price of $0.05 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of $0.05 for a period of 3 years from the date of issuance of the warrant.

Year ended June 30, 2023

On July 20, 2022, the Company completed a private placement consisting of 550,000 units at a price of $0.065 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at a price of $0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $35,750 were presented net of the fair value of the warrants, in the amount of $6,922.

On July 20, 2022, the Company completed a private placement consisting of 14,475,000 flow-through units at a price of $0.08 per unit. Each unit consisted of one flow-through Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at a price of $0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $1,158,000 was presented net of the fair value of the warrants, in the amount of $191,163 and the premium on flow-through shares in the amount of $170,712 presented in other liabilities.

In connection with the private placement, the Company paid a cash commission of $69,000 and issued 862,500 warrants to a broker. Each whole warrant entitles its holder to purchase one unit at an exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant entitling its holder to purchase one Class « B » common share at the exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant.

On September 27, 2022, the Company closed a private placement consisting of 5,000,000 units at a price of $0.065 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at an exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of $325,000 was presented net of the fair value of the warrants, in the amount of $49,775.

As part of the private placement closed on September 27, 2022, the Company accepted on October 11, 2022 an additional subscription of 500,000 units at a price of $0.065 per unit. The gross proceeds of the subscription in the amount of $32,500 was presented net of the fair value of the warrants, in the amount of $5,500.

In connection with the private placement, the Company paid a cash commission of $19,500 and issued 300,000 warrants to a broker. Each warrant entitles its holder to purchase one unit at an exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant entitling its holder to purchase one Class « B » common share at the exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant.

On May 11, 2023, the Company acquired all of the shares of Pershimex by way of a three-way amalgamation under the *Canada Business Corporations Act.* As part of this transaction, the Company issued 79,294,373 Class « B » common shares to Pershimex shareholders. The fair value of the shares issued as consideration was determined based on the closing price of the shares on the date of the transaction, i.e. $0.065. (See note 3 for more details).

(in Canadian dollars)

15- SHARE PURCHASE OPTIONS AND WARRANTS

The shareholders of the Company approved a stock option plan (the « plan ») whereby the Board of directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares of the Company, for such terms and at such exercise price as may be determined by the Board of Directors. It was originally adopted in October 1996 and approved by shareholders of the Company on December 1st, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001, December 2012 as well as in August 2023. The conditions and exercise price of each share purchase options are determined by the board of directors. The exercise price of the options cannot be lower than the closing price of the common shares on the TSXV, the day preceding the grant, subject to the minimum exercise price permitted by the rules of this exchange on time of each grant. The expiration date of the options cannot exceed 5 years from the date of their grant and the options cannot may be assigned or transferred.

The plan provides that the maximum number of shares in the capital of the Company that can be reserved for issuance under the plan shall be equal to 42,810,000 shares. The maximum number of shares that may be reserved for issuance of option to any one person during a period of 12 months under the plan is 5% of the number of shares issued and outstanding at the time of the grant (on an undiluted basis). The maximum of the total number of shares of the Company that may be issued under the aggregate equity compensation awarded or issued to insiders (as a group) must not exceed 10% of the issued shares of the Company at any time (unless the Company has obtained the required disinterested shareholders approval in accordance with the requirements of the TSX Venture Exchange).

The maximum number of shares which may be reserved for issuance of share purchase option to a consultant may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The maximum number of shares which may be reserved for issuance of share purchase option to an investor relations representative may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The options granted to investor relations representative can only be acquired on a period of twelve months, at the rate of 25% per quarter.

Share purchase Options

Changes in the Company' share purchase options were as follows:

	2024		2023	
	Number	Weighted Average Exercise price	Number	Weighted average exercise price
		$		$
Balance, at the beginning	9,797,600	0.09	2,800,000	0.09
Granted	19,000,000	0.05	1,000,000	0.05
Expired	(800,000)	0.07	-	-
Cancelled	(1,533,333)	0.05	-	-
Acquisition of Pershimex	-	-	5,997,600	0.09
Outstanding at the end	26,464,267	0.06	9,797,600	0.09
Outstanding and exercisable, at the end	15,247,600	0.07	8,464,267	0.08

During the year, the Company granted share purchase options to an officer of the Company. The weighted average fair value of the share purchase options of $0.02 ($0.02 as at June 30, 2023) was established using the Black-Scholes valuation model and base on the following weighted average assumptions:

	2024	2023
Average share price at date of grant	$0.04	$0.04
Expected dividends yield	-	-
Expected average volatility	75%	74%
Average risk-free interest rate	3.72%	3.26%
Expected average life	5 years	5 years
Average exercise price	$0.05	$0.05

(in Canadian dollars)

15- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share purchase options (continued)

The underlying expected volatility was determined by reference to historical data of the Company 's shares over the expected average life of the share purchase options granted.

During the year, a total amount of $275,357 ($11,758 as at June 30, 2023) of share-based payments (all of which related to equity-settled share-based payment transactions) was recognized in profit or loss and credited to contributed surplus.

The following tables summarize the information related to the share purchase options granted under the plan:

Outstanding as at June 30, 2024	Weighted average remaining contractual life	Exercise Price
		$
500 000	0.4 year	0.05
266 667	0.7 year	0.05
5 140 800	1.5 years	0.09
856 800	2.5 years	0.09
2 000 000	2.8 years	0.10
1 000 000	3.4 years	0.05
15 200 000	4.2 years	0.05
1 500 000	4.5 years	0.05
26 464 267		

Outstanding as at June 30, 2023	Weighted average remaining contractual life	Exercise Price
		$
800,000	0.5 year	0.07
5,140,800	2.5 years	0.09
856,800	3.5 years	0.09
2,000,000	3.8 years	0.10
1,000,000	4.4 years	0.05
9,797,600		

(in Canadian dollars)

15- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants to investors

Changes in the Company's warrants were as follows:

	2024		2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, at beginning	45,891,960	0.16	16,750,000	0.15
Issued	155,104,656	0.06	8,616,960	0.22
Acquisition of Pershimex	-	-	20,525,000	0.15
Expired	(6,984,960)	0.25		
Outstanding and exercisable, at the end	194,011,656	0.07	45,891,960	0.16

During the year, the Company issued warrants to investors in connection with private placements and the amalgamation. The weighted average fair value of $0.01 ($0.01 as at June 30, 2023) was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	2024	2023
Average share price at date of grant	$0.04	$0.05
Expected dividends yield	-	-
Expected average volatility	65%	71%
Average risk-free interest rate	4.15%	3.38%
Expected average life	3 years	3 years
Average exercise price	$0.06	$0.15

The underlying expected volatility was determined by reference to historical data of the Company 's shares over the expected average life of the share purchase options granted.

The following tables summarize the information related to the warrants:

Outstanding as at June 30, 2024	Exercise Price	Expiry Date
1,632,000	0.11	November 2024
16,750,000	0.15	May 2025
15,025,000	0.15	Jully 2025
5,000,000	0.15	September 2025
500,000	0.15	October 2025
39,568,750	0.05	September 2026
15,626,506	0.05	October 2026
5,225,000	0.05	November 2026
6,250,000	0.05	Décember 2026
28,724,688	0.06	March 2027
18,310 000	0.06	April 2027
28,848,312	0.06	May 2027
12,551,400	0.06	June 2027
194,011,656		

(in Canadian dollars)

15- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants to investors (continued)

Outstanding as at June 30, 2023	Exercise Price $	Expiry Date
6,984,960	0.25	August 2023
1,632,000	0.11	November 2024
16,750,000	0.15	May 2025
15,025,000	0.15	July 2025
5,000,000	0.15	September 2025
500,000	0.15	October 2025
45,891,960		

Warrants to intermediaries

Changes in the Company' warrants to intermediaries were as follows:

	2024		2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, at beginning	1,162,500	0.15	-	-
Issued	55.000	0.05	1,162,500	0.15
Outstanding and exercisable, at the end	1.217.500	0.15	1,162,500	0.15

During the year, the Company issued warrants to intermediaries in connection with private placements. The weighted average fair value of $0.016 ($0.012 as at June 30, 2023) was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	2024	2023
Average share price at date of grant	$0.04	$0.052
Expected dividends yield	-	-
Expected average volatility	63%	71%
Average risk-free interest rate	4.34 %	3.37%
Expected average life	3 years	3 years
Average exercise price	$0.05	$0.15

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the share purchase options granted.

In total, an amount of $900 ($13,800 as at June 30, 2023) of share issuances costs was recognized in deficit and credited to contributed surplus.

(in Canadian dollars)

15- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants to investors (continued)

The following table summarizes the information related to intermediaries' warrants:

Outstanding as at June 30, 2024	Exercise Price	Expiry Date
	$	
862,500	0.15	July 2025
300,000	0.15	September 2025
45,000	0.05	September 2026
10,000	0.06	March 2027
1,217,500		

Outstanding as at June 30, 2023	Exercise Price	Expiry Date
	$	
862,500	0.15	July 2025
300,000	0.15	September 2025
1,162,500		

16- REVENUES

	2024	2023
	$	$
Gold and silver sales	-	6,921,289
Other revenues	265,120	93,205
	265,120	7,014,494

17- OTHER INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ADMINISTRATION		
Professional fees	549,727	414,149
Interest and penalties on taxes	282,475	107,422
Part III.14 taxes	-	7,125
Bank fees	33,838	17,398
Salaries and benefits	1,413,520	789,442
Insurances	166,210	42,119
Office and other expenses	164,207	114,171
Shareholders and investors relations	580,686	564,060
Share-based compensation	275,357	11,758
Amortization of property, plant and equipment	165,854	58,427
Adjustment of provision for restoration of devalued mining assets	130,398	-
Impairment of property, plant and equipment	-	2,286
	3,762,272	2,128,357

(in Canadian dollars)

17- OTHER INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

EXPLORATION AND EVALUATION

Exploration and evaluation expenses	6,546,732	5,320,415
Acquisition of Pershimex (note 3)	-	5,484,864
Sale of a property [2]	(500,000)	-
Credit on mining rights refundable and refundable tax credit for resources	(440,000)	-
Proceeds from the sale of the royalty [1]	-	(2,476,863)
Proceeds from the sale of gold and silver	(923,746)	(6,684,299)
	4,682,986	1,644,117

(1) During 2023, the Company sold a 2% net smelter return royalty on all metallic and non-metallic minerals mined or otherwise recovered on the Sleeping Giant and Dormex properties for $2,651,875 ($2,000 000 US) in cash. The proceeds from the sale of the royalty are presented net of fees in the amount of $175,012.

(2) On June 17, 2024, the Company entered into an option agreement with Québec Lafleur Minerals Inc. (formerly Québec Pegmatite Holdings Corp. Holdings Corp.) (« LaFleur »), under which Abcourt granted LaFleur the right to acquire a 100% interest in 141 mining claims owned by the Company and covering approximately 5,579 hectares. The optioned property includes portions of the Courville and Abcourt Barvue projects, namely the Jolin (Courville) and Bartec (Abcourt-Barvue) areas, and contiguous to the Swanson Swanson property.

Under the terms of the agreement, LaFleur was to pay $500,000 in cash within 10 days of signing the agreement to acquire 25% of the property, and three additional payments of $500,000 to acquire 50%, 75% and 100% within 6,18 and 24 months from signing the agreement. The agreement provided for the possibility of making the three payments under certain conditions through the issuance of LaFleur shares.

On July 8, 2024, LaFleur elected to accelerate the exercise of the remaining conditions of the agreement by proceeding with the payment through the issuance of shares from its share capital for a total of $1,500,000 to acquire the remaining 75% interest in the property. LaFleur issued 4,299,211 shares to Abcourt at a deemed price of $0.3489 per share.

18- INCOME AND MINING TAXES

The income and mining tax expense is made up of the following items:

	2024	2023
	$	$
Mining taxes	349,142	57,418
Recovery of deferred taxes and deferred mining taxes	(170,712)	-
	178,430	57,418

The reconciliation of the income tax expense, calculated using the combined federal and Quebec Provincial basis rate, with the income tax expense shown in the financial statements is detailed as follows:

	2024	2023
	$	$
Earnings before taxes	(11,407 141)),	(5,279,626)
Taxes at the combined basic rate of 26.5% (26.5% in 2023)	(3,022,892)	(1,399,101)
Temporary differences unrecognized	2,656,190	(53,453)
Share-based compensation	72,970	3,134
Fulfillment of obligations related to flow-through financings	(170,712)	-
Mining duty	349,142	57,418
Non deductible expenses and others	293,732	1,449,420
Income and mining taxes (payable)	178,430	57,418

(in Canadian dollars)

18- INCOME AND MINING TAXES (continued)

As of June 30, 2024, the Company has the following temporary differences for which no deferred tax assets have been recognized

	Federal	Quebec	Mining duties
Property, plant and equipment	1,819,781	1,721,392	-
Exploration and evaluation assets	50,217,180	37,933,454	12,218,163
Non-capital losses	16,364,094	13,235,733	-
Capital losses	2,227,563	2,227,563	-
Share issuance fees	275,793	275,793	-
Provisions related to the restoration of mining sites	1,326,167	1,326,167	1,326,167
	72,230,578	56,720,101	13,544,330

As of June 30, 2023, the Company has the following temporary differences for which no deferred tax assets have been recognized:

	Federal	Quebec	Mining duties
Property, plant and equipment	2,623,873	2,491,069	-
Exploration and evaluation assets	47,633,553	35,349,819	10,964,407
Non-capital losses	9,786,900	6,735,314	-
Capital losses	2,227,563	2,227,563	-
Share issuance fees	103,875	103,875	-
Provisions related to the restoration of mining sites	758,023	758,023	758,023
	63,133,787	47,665,663	11,722,430

The ability to realize tax benefits depends on many factors, including the likelihood of future taxable income. Deferred tax assets are recognized only if it is probable that sufficient taxable income will be available to enable the recovery of these assets. Consequently, certain deferred tax assets have not been recognized; these unrecognized assets total an amount of $19,026,755 ($16,115,622 as at June 30, 2023).

As at June 30, 2024, the Company has non-capital losses available to reduce income tax in future years. The deferred tax asset on these losses has not been recognized. These losses expire within the following periods:

	Federal	Provincial
	$	$
2028	3,523	3,523
2029	1,676	1,676
2030	194	194
2032	410,792	410,792
2033	377,089	376,640
2034	219,388	219,388
2035	559,613	250,618
2036	2,952,565	279,343
2037	353,240	351,495
2038	283,826	282,063
2039	163,369	163,369
2040	99,655	99,655
2041	239,576	239,576
2042	655,107	609,940
2043	3,480,339	3,460,094
2044	6,564,142	6,487,367
	16,364,094	13,235,733

(in Canadian dollars)

19 - RELATED PARTY TRANSACTIONS

Key Management personnel of the Company are the senior officers, namely the Chief Executive Officer and the Chief Financial Officer and the members of the Board

Key management remuneration is as follows:

	2024	2023
	$	$
Salaries and benefits	1,269,039	680,998
Share-based compensation	198,612	11,758
Total remuneration	1,467,651	692,756

Other related party transactions

In addition to the amounts presented in the note on key management remuneration, here are the related party transactions for the year:

	2024	2023
	$	$
Payment of a royalty (2% NSR on the Elder property) to a company controlled by one of the directors of the Company	-	104,431
Professional fees with a firm in which one of the directors of the Company is a partner.	154,145	226,209

As at June 30, 2024, balance due to related parties amounted $542,590 ($171,693 as of June 30, 2023). These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

20- FINANCIAL INSTRUMENTS RISKs

Risk management objectives and policies

The Company is exposed to various risks with respect to financial instruments. The financial assets and liabilities of the Company are summarized, by category, in note 6, Financial Instruments. The main types of risk are credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Company is exposed are described below.

20.1 Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk due to its financial assets, particularly its cash.

The credit risk of cash is considered negligible, since the counterparties are reputable banks whose external credit rating is excellent.

20.2 Liquidity risk

Liquidity risk is the risk that an entity will have difficulty honoring commitments linked to financial liabilities. Liquidity risk management aims to maintain a sufficient amount of cash and ensure that the Company has sufficient sources of financing. The Company establishes budget forecasts to ensure that it has the necessary funds to meet its obligations. Accounts payable and accrued liabilities and the short-term portion of long-term debt are due during the next financial year. The long-term balance of long-term debt is due during the fiscal year ending June 30, 2024.

20.3 Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are grouped according to three levels of the fair value hierarchy. The estimated fair value of long-term debt is comparable at its carrying amount and is classified at level 2 of the fair value hierarchy.

21- POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at June 30, 2024, the capital of the Company consists of negative equity amounting to $6,284,136 (negative equity of $1,867,936 as at June 30, 2023). The Company's capital management objective is to have sufficient capital to be able to meet its obligation related to operation and its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient liquidity to finance its operations, its exploration and evaluation expenses, the investing activities and the working capital requirements.

There was no significant change in the Company's approach to capital management during the period ended June 30, 2024. The Company is subject to regulatory requirements related to the use of funds raised by flow-through financing. These funds must be incurred for eligible exploration and evaluation expenditures. During the year, the Company complied with these regulatory requirements. Other than flow-through financing, the Company is not subject to any externally imposed capital requirements.

22- SUBSEQUENT EVENTS TO THE DATE OF CLOSING

Private Placement

On July 25, 2024, the Company closed a private placement consisting of 112,500,000 units at a price of $0.04 per unit for gross proceeds of $4,500,000. Each unit consists of one Class « B » common share and one warrant. Each whole warrant entitles its holder to subscribe for one common share at an exercise price of $0.06 for a period of 3 years from the date of issuance of the warrant. The private placement resulted in the creation of a new controlling shareholder (as this term is defined in the policies of the TSX Venture Exchange).

On October 10, 2024, the Company closed a private placement consisting of 20,866,666 units at a price of $0.06 per unit for gross proceeds of $1,252,000. Each unit consisting of one Class « B » common share and one warrant. Each whole warrant entitles its holder to subscribe to one common share at an exercise price of $0.08 for a period of 3 years from the date of issuance of the warrant.

Granted share purchase options

On August 1, 2024, the Company granted 3,500,000 share purchase options to a director and employees of the Company. The share purchase options entitle the holders to subscribe to 3,500,000 Class « B » shares at an exercise price of $0.05 per share, valid for a period of 5 years.

Litigation with Quebec Revenu

In 2016, the Company received notices of reassessments following the audit by the tax authorities of the tax credits relating to resources as well as mining rights for the years 2011, 2012, 2013 and 2014. The Company filed notices of objection with respect to these new notices of assessment. The amounts claimed and accrued interest since 2016 have been recognized in accounts payable and accrued liabilities and amount to $1,434,936.

On August 30, 2024, the Company reached an out-of-court settlement with Quebec Revenu. An agreement signed by the parties was filed with the court on that date. At the time of publication of these financial statements, the Company is awaiting adjustments for purposes of calculating duties, penalties and interest in accordance with the laws and applicable regulations.

23- COMMITMENTS

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all the necessary measures to this effect. Refusal of certain expenses by the tax authorities would have negative tax consequences for the Company or for the investors. In the past, the Company has respected its commitments under the flow-through share agreements signed. In 2023, the Company received $1,158,000 following flow-through offering for which it renounced tax deductions for the benefit of investors as at December 31, 2022. Management is required to fulfill its commitments within the stipulated period of one year from this date i.e. December 31, 2023.

As at June 30, 2024, the balance of the unspent amount of flow-through financings is nul and had been fully expended by December 31, 2023.

23- COMMITMENTS (continued)

As at June 30, 2024, the following Royalties are payable on the production of the Company's properties:

Properties	Royalties
Elder	2% to 3% NSR
Vendôme	2% NSR on Xstrata's claims
Tagami	1% to 2% NSR
Jonpol	2.5% NSR
Aldermac	$2.00/tonne on 1.5 M tonnes
West Aldermac	2% NSR
Sleeping Giant	$5/ tonne, for a total of 350,000 tonnes
	2% NSR

Although the Company has taken steps to identify the royalties on the mining properties, in accordance with industry practices, property titles may be subject to unregistered prior agreements, and they can be lost or revoked if regulatory measures are not respected.