OLIVUT RESOURCES LTD.

FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED JULY 31, 2024

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The attached condensed interim financial statements have been approved by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

(expressed in Canadian dollars)

	July 31, 2024 $	October 31, 2023 $
ASSETS		
CURRENT		
Cash (Note 4)	473,498	478,203
Amounts receivable	974	14,279
Prepaid expenses and deposits (Note 5)	19,335	11,749
Current portion of loan receivable (Note 8)	-	709
TOTAL CURRENT ASSETS	493,807	504,940
EQUIPMENT (Note 7)	4,724	5,558
LOAN RECEIVABLE (Note 8)	-	232,409
TOTAL ASSETS	498,531	742,907
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 9 and 10)	123,961	19,213
LONG TERM LIABILITES		
Promissory note (Note 10)	-	1,331,003
TOTAL LIABILITIES	123,961	1,350,216
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 11(b))	20,676,130	20,676,130
EQUITY RESERVES		
Share options (Note 12)	291,993	286,737
DEFICIT (Note 10)	(20,593,553)	(21,570,176)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	374,570	(607,309)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	498,531	742,907

COMMITMENTS AND CONTINGENCIES (Notes 6, 10 and 13)
GOING CONCERN (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "Leni Keough", Director

Signed "Craig Reith", Director

See accompanying notes to the unaudited condensed interim financial statements.

UNAUDITED CONDENSED INTERIM STATEMENTS OF OPERATIONS COMPREHENSIVE INCOME AND LOSS

(expressed in Canadian dollars)

	Three months ended July 31, 2024 $	Three months ended July 31 2023 $	Nine Months Ended July 31, 2024 $	Nine Months Ended July 31, 2023 $
Exploration expenses (Note 6)	6,499	6,080	70,759	2,229
Administrative and general expenses (Note 10)	81,830	76,798	298,897	281,652
Share-option amortization expense (Notes 10 and 12)	974	7,400	5,256	33,162
Other amortization (Note 7)	277	347	834	1,042
Loss before the under-noted	(89,580)	(90,625)	(375,746)	(318,085)
Gain on forgiveness of promissory note (Note 10)	-	-	1,331,003	-
Accretion expense on promissory note (Note 10)	-	(54,838)	-	(164,513)
Interest income	7,189	7,390	21,366	19,804
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(82,391)	(138,073)	976,623	(462,794)
NET INCOME (LOSS) PER SHARE - basic and diluted	($0.00)	($0.00)	$0.01	($0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	74,940,611	68,840,611	74,940,611	66,906,545

See accompanying notes to the unaudited condensed interim financial statements.

OLIVUT RESOURCES LTD.
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

	Three months ended Jul 31, 2024 $	Three months ended July 31, 2023 $	Nine months ended July 31, 2024 $	Nine months ended July 31, 2023 $
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Net income (loss) for the period	(82,391)	(138,073)	976,623	(462,794)
Interest income from loan receivable	(4,158)	(4,091)	(12,305)	(12,296)
Adjustments for charges not involving cash:				
Gain on forgiveness of promissory note (Note 10)	-	-	(1,331,003)	-
Accretion expense on promissory note (Note 10)	-	54,838	-	164,513
Deferred salary (Note 10)	55,000	55,000	107,730	109,430
Share-option amortization expense	974	7,400	5,256	33,162
Other amortization	277	347	834	1,042
	(30,298)	(24,579)	(252,865)	(166,943)
Changes in non-cash working capital balances:				
Amounts receivable	2,117	1,556	13,305	584
Prepaid expenses and deposits	7,352	(12,380)	(7,586)	(7,900)
Accounts payable and accrued liabilities	930	5,552	(2,982)	140
Cash flows used in operating activities	(19,899)	(29,851)	(250,128)	(174,119)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income from loan receivable	4,158	4,091	12,305	12,296
Loan receivable	232,265	409	233,118	1,204
Cash flows from investing activities	236,423	4,500	245,423	13,500
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of common shares (Note 11)	-	-	-	300,000
Cost of issue (Note 11)	-	-	-	(1,754)
	-	-	-	298,246
Increase (decrease) in cash	216,524	(25,351)	(4,705)	137,627
Cash, beginning of period	256,974	350,843	478,203	187,865
Cash, end of period (Note 4)	473,498	325,492	473,498	325,492

See accompanying notes to the unaudited condensed financial statements

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(expressed in Canadian dollars)

	Shares	Capital Stock	Equity Reserves - Share Options	Deficit	Total
	# (Note 11(b))	$ (Note 11(b))	$ (Note 12)	$	$
Balance, October 31, 2022	**62,840,611**	**20,089,029**	**249,117**	**(21,107,945)**	**(769,799)**
Common shares issued	12,100,000	605,000	-	-	605,000
Share issue costs		(17,899)	-	-	(17,899)
Share-option amortization expense	-	-	37,620	-	37,620
Noteholder contribution (Note 10)	-	-	-	246,755	246,755
Net loss for the year	-	-	-	(708,986)	(708,986)
Balance October 31, 2023	**74,940,611**	**20,676,130**	**286,737**	**(21,570,176)**	**(607,309)**
Share-option amortization expense	-	-	5,256	-	5,256
Net income for the period	-	-	-	976,623	976,623
Balance July 31, 2024	**74,940,611**	**20,676,130**	**291,993**	**(20,593,553)**	**374,570**

See accompanying notes to the unaudited condensed financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Olivut Resources Ltd. (the “Company” or “Olivut”) is engaged in the acquisition, exploration and evaluation of mineral properties for the purpose of mining diamonds and other precious and base minerals. The Company’s shares are listed on the TSX Venture Exchange (“TSXV:OLV”). The head office is located at 27010 Hwy 16, 14 Mountain Park Properties, Jasper East, Alberta. These financial statements were reviewed, approved and authorized for issue by the Board of Directors on September 11, 2024.

The Company is in the process of exploring properties for mineral resources and has not determined whether the properties contain economically recoverable reserves. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon: the ability of the Company to raise financing, if necessary and/or available, its extensive regional information database, the preservation and confirmation of its interest in the underlying exploration properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the health and well-being of its key employees and consultants, the continued deferral of some or all of the President and CEO’s salary (Note 10) and upon the Company’s ability to dispose of its interests on an advantageous basis. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it 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 title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, native land claims and non-compliance with regulatory and environmental requirements. The Company's assets and operations are subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The Company needs equity capital financing in order to explore and evaluate its properties and for working capital requirements. Because of limited working capital and continuing operating losses, the Company’s continuance as a going concern is dependent upon its ability to obtain adequate financing and/or to reach profitable levels of operation. Sustained global economic and political uncertainty could result in more costly or limited access to funding sources and there is no assurance that funds will be available on terms acceptable to the Company or at all. All of these factors indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue as a going concern (see Note 16).

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies followed in these unaudited condensed interim financial statements are the same as those applied in the Company’s most recent audited annual financial statements for the year ended October 31, 2023 except as described in Note 3. These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended October 31, 2023.

(expressed in Canadian dollars)

2. BASIS OF PRESENTATION (Continued)

These unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis except for certain financial instruments which are carried at fair value as disclosed in these financial statements.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after November 1, 2023.

Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 - Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

4. CASH

	July 31, 2024 $	October 31, 2023 $
Cash in accounts at Canadian chartered banks	473,498	478,203

5. PREPAID EXPENSES AND DEPOSITS

	July 31, 2024 $	October 31, 2023 $
Insurance premiums	19,335	11,749

6. MINERAL PROPERTY AND EXPLORATION EXPENDITURES

The Company has a 100% interest in the HOAM Project located in the Mackenzie Region, Northwest Territories, Canada (the “HOAM Project”). This interest is subject to a 1.5% net smelter return royalty (“NSR”), 50% of which is held by a director and officer of the Company.

(expressed in Canadian dollars)

6. MINERAL PROPERTY AND EXPLORATION EXPENDITURES (Continued)

On July 6, 2018, the Company signed an option agreement (the "Option Agreement") with Talmora Diamond Inc. ("Talmora") to earn 50% in Talmora's Seahorse Project (the "Seahorse Project"), located in the Northwest Territories, by spending $1,200,000 (in a combination of cash and in-kind expenses) over two years on exploration expenditures and making a $200,000 payment to Talmora (the "Option Payment"). The Company exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut and Talmora are joint (50/50) owners of the assets. Talmora has a 1% NSR on certain land. The Company and Talmora have not yet entered into a new formal joint venture company structure as contemplated in the Option Agreement. Exploration costs incurred during the period were financed 50% by each of the partners.

Cumulative cash exploration expenditures made by the Company are as follows:

	HOAM	Seahorse Project(1)(2)	Other(3)	Total
	$	$	$	$
Total to October 31, 2023	15,107,750	1,365,717	949,088	17,422,555
Nine months ended July 31, 2024	38,769	31,990	-	70,759
Total to July 31, 2024	15,146,519	1,397,707	949,088	17,493,314

Notes:

1. Does not include in-kind expenses incurred relating to the Seahorse Project.
2. Includes the Option Payment.
3. Projects where the Company's interests have been terminated.

7. EQUIPMENT

Drill rig cost as at October 31, 2023, and July 31, 2024	91,288
Accumulated amortization October 31, 2023	85,730
Charge for the period	834
Accumulated amortization as at July 31, 2024	86,564
Net book value as at July 31, 2024	4,724
Net book value as at October 31, 2023	5,558

8. LOAN RECEIVABLE

On May 25, 2007, the Company loaned $250,000 to an unrelated corporation that provided services to the Company. The loan bore interest at 7% per annum and was secured by a general security agreement covering all assets of the borrower. Repayment terms included monthly payments of interest and principal of $1,500 with the balance due May 25, 2017. The Company subsequently entered into several loan extension agreements with the borrower extending the maturity date of the loan receivable, ultimately to May 25, 2026. All other terms and conditions remained unchanged. On June 21, 2024 the loan was fully repaid.

(expressed in Canadian dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2024 $	October 31, 2023 $
Corporate payables and accrued liabilities (Note 10)	122,161	19,213
Exploration expense payables	1,800	-
	123,961	19,213

10. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management personnel during the period was as follows:

	Nine months ended July 31, 2024 $	Nine months ended July 31, 2023 $
Included in expenses:		
Salaries and remuneration expense	165,000(1)	165,000(1)
Benefits and insurance	18,851	18,529
Share-option amortization expense	4,835	27,234
Total remuneration	188,686	210,763

Note 1: Salaries and remuneration expense for the nine months ended July 31, 2024 includes $165,000 (2023 - $165,000) for salary earned by the President and CEO, of which the President and CEO elected to defer $107,730 (2023 - $109,430) and which was unpaid as at July 31, 2024.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

No bonuses were paid in the nine months ended July 31, 2024 and 2023. Independent non-executive directors are not remunerated other than the benefits received, if any, from the granting of share options.

In addition to salaries and benefits, during the nine months ended July 31, 2024 a total of $Nil (2023 - $677) for exploration expenses, and $8,600 (2023 - $7,200) for administrative and general expenses included in the statements of operations were accrued or paid to persons or companies related to or controlled by directors and officers of the Company. Directors and officers of the Company or persons or companies related to or controlled by them were also reimbursed at cost for expenses incurred on behalf of the Company.

In addition, there is a management contract with the President and CEO (Note 13(b)) and an NSR agreement (Note 6).

(expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (Continued)

Amounts included in accounts payable and accrued liabilities owed to directors and officers of the Company or persons or companies related to or controlled by them are as follows:

	Amounts owed to related parties, as at:	
	July 31, 2024 $	**October 31, 2023 $**
Officers and directors	107,730	-

Promissory Note

On October 31, 2023 the Company's President and CEO agreed to continue to defer the amount owing for unpaid salary $1,597,204 (October 31, 2022 - $1,432,774). Due to the fact it was unlikely this amount would be paid within the following 12 months, it was reclassed for accounting purposes from accounts payable and accrued liabilities to a long-term liability, which liability was evidenced, but not settled, by way of a promissory note from the Company issued on October 31, 2022. The note was unsecured and carried no interest. As the interest rate was below the market rate for such a loan, which was estimated at 20%, based on consideration of comparable loans of other companies, there was a deemed benefit to the Company. As such the portion of the promissory note considered to represent that benefit was recorded in equity (deficit) as a noteholder contribution. The amount of the benefit was then recognized over the life of the promissory note as an accretion expense, for the nine months ended July 31, 2024 $Nil (2023 - $164,513).

During the period ended January 31, 2024 the Company's President and CEO agreed to a modification of her employment contract which resulted in the forgiveness of the amounts owing under the promissory note as at October 31, 2023 in exchange for an arrangement that includes certain amounts that would become owing to the President and CEO upon the occurrence of certain events. Under this new arrangement, the President and CEO will receive up to approximately $2,600,000 upon the occurrence of certain triggering events. As a triggering event has not taken place, these contingent payments have not been reflected in these unaudited condensed interim financial statements.

As a result of the forgiveness of the promissory note the Company recognized a gain of $1,331,003 in the quarter ended January 31, 2024.

	$
Issuance of undiscounted promissory note on October 31, 2022	1,432,774
Interest rate benefit recognized as a noteholder contribution	(238,796)
Balance October 31, 2022	1,193,978
Additional salary deferred	164,430
Accretion	219,350
Interest rate benefit recognized as a noteholder contribution	(246,755)
Balance October 31, 2023	1,331,003
Forgiveness of promissory note	(1,331,003)
Balance July 31, 2024	Nil

Amounts owing to the related parties are unsecured and non-interest bearing with no fixed terms of repayment.

(expressed in Canadian dollars)

11. CAPITAL STOCK

The capital stock is as follows:

a) Authorized

Unlimited number of common shares without par value.

b) Issued

74,940,611 common shares

	Common Shares #	Amount $
October 31, 2023 and July 30,2024	74,940,611	20,676,130

On January 27, 2023 the Company issued a total of 6,000,000 common shares at a price of $0.05 per common share through a non-brokered private placement for aggregate gross proceeds of $300,000.

On August 22, 2023 the Company issued a total of 6,100,000 common shares at a price of $0.05 per common share through a non-brokered private placement for aggregate gross proceeds of $305,000.

See Note 16 - Subsequent Event.

12. EQUITY RESERVES

Share options

	Number of Options #	Weighted Average Exercise Price $	Estimated Amortized Grant Date Fair Value of Options $
October 31, 2023	5,810,000	0.659	286,737
Share-option amortization expense on options granted			5,256
Total outstanding July 31, 2024	5,810,000		291,993

The Company's share option plan (the "Plan") provides for the granting of share options to independent directors (who receive no other compensation from the Company), officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years at exercise prices not less than the closing sale price of the Company's shares on the TSXV on the trading day immediately preceding the date the options are granted, but not less than $0.05 in accordance with TSXV rules and are not transferable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued shares.

(expressed in Canadian dollars)

12. EQUITY RESERVES (Continued)

The fair value attributed to the options when granted is charged to share-option amortization expense and added to equity reserves over the period the options vest. $5,256 was charged to share-option amortization expense during the nine months ended July 31, 2024 (2023 - $33,162).

The following is a summary of share options outstanding at July 31, 2024:

Expiry Date	Outstanding Share Options #	Exercisable Share Options #	Estimated Grant Date Fair Value $	Exercise Price $
December 15, 2024	1,090,000	1,090,000	109,000	0.110
October 25, 2027	650,000	650,000	45,500	0.075
October 16, 2028	150,000	150,000	15,000	0.110
October 28, 2029	1,275,000	1,275,000	51,000	0.050
June 27, 2032	2,545,000	2,545,000	67,934	0.050
August 30, 2033(1)	100,000	-	5,361	0.065
Total July 31, 2024	5,810,000	5,710,000	293,795	

Note 1: Options vest in three installments: 1/3 vest August 30, 2024, 1/3 vest February 28, 2025 and 1/3 vest August 30, 2025.

The estimated grant date fair value is calculated using the Black-Scholes option pricing model. The most recent options were granted in the year ended October 31, 2022 and the year ended October 31, 2023, and were valued using the following assumptions:

	Year ended October 31, 2022	Year ended October 31, 2023
Expected dividend yield	0%	0%
Risk-free interest rate	3.29%	4.68%
Expected volatility	75.26%	76.94%
Expected life	10 years	10 years

The share price used in the 2022 calculation is $0.05, the minimum price allowed by the TSVX (the market price on the day prior to the granting of the options was $0.035). The share price used in the 2023 calculation is $0.065, the share price on the day prior to the option grant. The volatility used in the calculation is based on the historic volatility of the Company's shares on the TSXV.

The weighted average remaining contractual life of options as of July 31, 2024 is 5.3 years (October 31, 2023 – 6.1 years). The weighted average exercise price of options exercisable as at July 31, 2024 is $0.066 (October 31, 2023 - $0.069).

13. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

b) Management Contracts

The Company is party to a management contract. Upon the occurrence of certain events such as a change in control, the contract requires payments of up to approximately $2,600,000. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements (see Note 10).

c) Flow-Through Shares

Pursuant to the issuance of common shares with flow-through tax benefits to the shareholders ("flow-through shares") in prior years, the Company renounced related qualified exploration expenditures for tax purposes.

The Company was required to expend the equivalent amount on qualified exploration expenditures within certain time periods. The Company believes it has expended the entire amount on qualified exploration expenditures within the required time periods.

The Company has indemnified the subscribers of all previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting the expenditure commitment.

14. CAPITAL MANAGEMENT

There were no changes in the Company's approach to capital management during the nine months ended July 31, 2024. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration properties. The capital of the Company consists of capital stock and equity reserves. The Board of Directors does not establish quantitative return on capital criteria for the Company's management, but rather relies on the expertise of management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. Accordingly, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for its administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if reasonably available. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

14. CAPITAL MANAGEMENT (Continued)

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires a minimum activity level defined as exploration spending of $100,000 during the past two years and adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As of July 31, 2024, the Company believes that it is compliant with these policies of the TSXV.

15. FINANCIAL RISK FACTORS

There were no changes in the nine months ended July 31, 2024 that occurred that were attributed to financial risk. The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

a) Liquidity Risk / Going Concern Risk

As at July 31, 2024, the Company had a cash balance of $473,498 to settle accounts payable and accrued liabilities of $123,961. As at July 31, 2024, all of the Company's accounts payable and accrued liabilities have contractual maturities of less than one year. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing, the continued deferral of some or all of the President and CEO's salary (Note 10) and the health and well-being of its key employees and consultants. Although the Company has been successful in the past in obtaining financing, there can be no assurance that additional funding will be available, or available under terms favourable to the Company, or that the President and CEO will continue to elect to defer some or all of her salary. The Company will need to rely on new sources of equity financing, if available, to meet its ongoing working capital requirements. Failure to obtain additional financing would result in delay or the indefinite postponement of further exploration and the development of the HOAM and/or Seahorse Projects, as well as the loss of prospecting permits and/or mineral claims and the risk of the Company failing to continue as a going concern (see Note 16).

b) Credit Risk

The Company's credit risk is primarily attributable to cash and amounts receivable. The Company has no significant credit risk arising from operations. Cash consists of bank deposits with a Canadian chartered bank.

c) Market Risk

(i) *Interest Rate Risk*

The Company may from time to time invest its cash balances in investment grade short-term guaranteed investment certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company considers interest rate risk to be minimal. It is expected that future financings, if any, would be secured from equity placements rather than debt obligations.

15. FINANCIAL RISK FACTORS (Continued)

c) Market Risk (Continued)

(ii) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk from currency conversions is negligible. The Company does not hold any balances in foreign currencies to give rise to foreign exchange risk.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. Although the Company has no influence on commodity prices, it closely monitors commodity prices to determine appropriate courses of action.

d) Fair Value

The carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities on the unaudited condensed interim statements of financial position approximate fair value because of the limited terms of these instruments.

e) Sensitivity to Financial Risks

The Company considers interest rate risk to be minimal. The Company does not carry interest bearing debt. It is expected that future financings, if any, would be secured from equity placements rather than debt obligations. Based on the cash and cash equivalents held by the Company as at July 31, 2024, a 1% increase or decrease in the interest rate would generate a respective increase or decrease in interest income of approximately $5,000 annually.

16. SUBSEQUENT EVENT

On September 11, 2024 the Company issued a total of 7,462,500 common shares at a price of $0.08 per common share through a non-brokered private placement for aggregate gross proceeds of $597,000.