THESIS GOLD INC.

(formerly Benchmark Metals Inc.)

Consolidated Financial Statements

For the years ended February 29, 2024 and February 28, 2023

Expressed in Canadian Dollars

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Thesis Gold Inc. (formerly Benchmark Metals Inc.)

Opinion

We have audited the consolidated financial statements of Thesis Gold Inc. and its subsidiary (together, the Company) which comprise:

- the consolidated statements of financial position as at February 29, 2024 and February 28, 2023;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 29, 2024 and February 28, 2023, and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 for the year ended February 29, 2024. 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. We have determined the key audit matters to be communicated in our auditors' report are as follows:

Assessment of Impairment Indicators of Exploration and Evaluation Assets

We draw attention to Notes 3(a), 3(f) and 5 of the Consolidated Financial Statements. As at February 29, 2024, the Company has exploration and evaluation assets of $167,840,582. At the end of each reporting period, management applies judgment in assessing whether there are any facts and circumstances that indicate that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. If any such indication exists, the recoverable amount of the related asset is estimated in order to determine the extent of impairment, if any. Indicators of impairment may include (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at February 29, 2024.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in its assessment of impairment indicators related to exploration and evaluation assets. This in turn resulted in a high degree of subjectivity in performing audit procedures related to the judgments applied by management.

Our approach to addressing the matter included the following procedures, among others:

Assessed the judgment made by management in determining whether there were impairment indicators related to the exploration and evaluation assets, which included the following:

- Obtained, for all mining claims, by reference to government registries, evidence of (i) the right to explore the area and (ii) the expiration dates of the claims.
- Considered which claims will expire in the near future and where management does not have plans to renew by obtaining exploration and evaluation budgets and through discussions with management and the audit committee.
- Assessed the planned substantive expenditures on further exploration for and evaluation of mineral resources in the specific area by reading the minutes of the board of directors and obtaining exploration and evaluation budgets.
- Assessed whether the exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources leading the Company to discontinue activities in the specific area, or whether sufficient data exists to indicate that the carrying value of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale, based on evidence obtained through reading the Company’s resource reports and preliminary economic assessments where available, discussions with management and the audit committee, reading the minutes of the board of directors, reading the Company’s news releases and obtaining exploration and evaluation budgets.

Other Information

Management is responsible for the other information. The other information comprises the Company’s Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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.

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. 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 Company 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 auditors' 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 auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
June 27, 2024

Expressed in Canadian Dollars

	February 29, 2024	February 28, 2023
ASSETS		
Current		
Cash	**$ 7,265,418**	$ 17,198,551
Short-term investment	**10,538**	10,000
Goods and services tax credit receivable	**219,308**	57,782
Mineral exploration tax credit receivable	**4,338,417**	9,699,226
Other receivable	**58,476**	110,896
Prepaid expenses and deposits	**1,365,666**	622,924
	13,257,823	27,699,379
Equipment (note 8)	**809,132**	856,362
Exploration and evaluation assets (note 5)	**167,840,582**	99,549,763
Reclamation bonds (note 13)	**1,879,473**	1,388,457
Right-of-use asset (note 10)	**40,945**	122,834
	$ 183,827,955	$ 129,616,795
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 9)	**$ 4,498,089**	$ 629,044
Deferred flow-through liability (note 12)	**-**	723,190
Current portion of lease liability (note 10)	**29,535**	93,233
	4,527,624	1,445,467
Asset retirement obligation (note 13)	**2,502,246**	958,370
Deferred taxes (note 11)	**14,537,418**	13,466,912
Long-term portion of lease liability (note 10)	**-**	22,001
	21,567,288	15,892,750
EQUITY		
Share capital (note 6)	**175,250,081**	128,723,496
Option and warrant reserves (note 6)	**16,660,000**	15,538,515
Deficit	**(29,649,414)**	(30,537,966)
	162,260,667	113,724,045
	$ 183,827,955	$ 129,616,795

Subsequent events (note 16)

Authorized for issuance on behalf of the Board on June 27, 2024:

Director (signed by) *"Thomas Mumford"*

Director (signed by) *"Ewan Webster"*

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

Expressed in Canadian Dollars

For the year ended	**February 29, 2024**	**February 28, 2023**
Expenses		
Exploration expenses	**$ 78,233**	$ 23,014
Marketing and investor relations expenses	**1,368,396**	2,326,180
Management and consulting fees (note 9)	**1,713,248**	486,136
Office and administration	**405,047**	429,541
Professional fees (note 4)	**536,902**	227,174
Regulatory and filing fees	**157,993**	80,139
Share-based compensation (note 6)	**96,200**	314,769
	(4,356,019)	(3,886,953)
Other		
Interest income	**1,148,457**	455,698
Settlement of flow-through liability (note 12)	**5,166,620**	3,850,544
Income before taxes	**1,959,058**	419,289
Deferred income tax expense (note 11)	**(1,070,506)**	(5,284,106)
Net income (loss) and comprehensive income (loss)	**$ 888,552**	$ (4,864,817)
Basic income (loss) per common share (note 15)	**$ 0.01**	$ (0.06)
Diluted income (loss) per common share (note 15)	**$ 0.01**	$ (0.06)
Basic weighted average number of common shares outstanding	**136,069,705**	86,330,888
Diluted weighted average number of common shares outstanding	**137,728,819**	86,330,888

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

Expressed in Canadian Dollars

	Number of shares	Share capital	Option and Warrant reserve	Deficit	Total equity
Balance at February 28, 2022	**79,566,594**	**$ 110,660,512**	**$ 15,082,225**	**$ (25,673,149)**	**$ 100,069,588**
Shares issued for cash	18,147,038	21,063,954	(194,190)	-	20,869,764
Flow-through premium liability	-	(1,185,558)	-	-	(1,185,558)
Share issuance costs	-	(1,479,701)	-	-	(1,479,701)
Finders warrants issued	-	(335,711)	335,711	-	-
Share based payments	-	-	314,769	-	314,769
Comprehensive loss	-	-	-	(4,864,817)	(4,864,817)
Balance at February 28, 2023	**97,713,632**	**$ 128,723,496**	**$ 15,538,515**	**$ (30,537,966)**	**$ 113,724,045**
Shares issued for cash	11,277,808	11,315,415	(72,500)	-	11,242,915
Shares issued for exploration and evaluation assets	65,060,071	40,597,484	1,064,528	-	41,662,012
Deferred flow-through liability	-	(4,443,430)	-	-	(4,443,430)
Share issuance costs	-	(909,627)	-	-	(909,627)
Finders warrants issued	-	(33,257)	33,257	-	-
Share-based payments	-	-	96,200	-	96,200
Comprehensive income	-	-	-	888,552	888,552
Balance at February 29, 2024	**174,051,511**	**$ 175,250,081**	**$ 16,660,000**	**$ (29,649,414)**	**$ 162,260,667**

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

Expressed in Canadian Dollars

For the year ended	February 29, 2024	February 28, 2023
Cash provided by (used in):		
Operating activities		
Net income (loss) for the year	**$ 888,552**	$ (4,864,817)
Items not effecting cash:		
Deferred taxes	**1,070,506**	5,284,106
Share-based payments (note 6)	**96,200**	314,769
Settlement of deferred flow-through liability	**(5,166,620)**	(3,850,544)
	(3,111,362)	(3,116,486)
Changes in non-cash working capital:		
METC and other receivable	**7,016,483**	849,700
Goods and services tax receivable	**59,339**	534,680
Prepaid expenses and deposits	**(218,340)**	175,881
Accounts payable and accrued liabilities	**729,088**	(8,334,077)
Cash provided by (used in) operating activities	**4,475,208**	(9,890,302)
Investing activities		
Acquisition of Thesis Gold (Holdings) Inc.	**8,255,729**	-
Exploration and evaluation assets expenditures	**(32,816,342)**	(22,829,708)
Purchase of reclamation deposit	**(181,016)**	(552,336)
Purchase of equipment	**-**	(403,210)
Cash used in investing activities	**(24,741,629)**	(23,785,254)
Financing activities		
Proceeds from private placement	**11,162,915**	20,622,864
Proceeds from exercise of options	**80,000**	246,900
Share issuance costs	**(909,627)**	(1,479,701)
Cash provided by financing activities	**10,333,288**	19,390,063
Net increase (decrease) in cash	**(9,933,133)**	(14,285,493)
Cash – beginning of year	**17,198,551**	31,484,044
Cash – end of year	**$ 7,265,418**	$ 17,198,551
Non-cash transactions and supplemental disclosures		
Finders warrants issued	**$ 33,257**	$ 335,711
Options and warrants issued for Thesis Gold (Holdings) Inc.	**$ 1,064,528**	$ -
Share issued for acquisition of Thesis Gold (Holdings) Inc.	**$ 40,597,484**	$ -

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

1. Nature of operations

Thesis Gold Inc. ("Thesis" or the "Company") was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol "TAU". The Company's head office is located at 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, acquisition, exploration and evaluation of mineral properties.

On February 29, 2024, the Company completed a vertical short-form amalgamation pursuant to the Business Corporations Act with its wholly owned subsidiary PPM Phoenix Precious Metals Corp. Pursuant to the Amalgamation, the resulting amalgamated company has adopted the name "Thesis Gold Inc.", maintained the same Articles and management as the Company, issued no securities, the symbol "TAU" and the CUSIP remains the same.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were authorized for issue by the Board of Directors of the Company on June 27, 2024.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary Thesis Gold (Holdings) Inc. ("Thesis Holdings"). All intercompany transactions and balances have been eliminated from the date of acquisition of control.

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
Thesis Gold (Holdings) Inc.	100%	Holds mineral interest in BC

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

Effective August 24, 2023, the Company consolidated its issued and outstanding common shares on a basis of one (1) post-consolidation common share for every two and six-tenths (2.6) pre-consolidation shares (the "Share Consolidation"). As a result of the Share Consolidation, the number of shares, warrants and options presented in these financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earning per share calculation reflect post-consolidation shares for all periods presented.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results.

3. Material accounting policies (continued)

a) Management estimates and judgments (continued)

Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Estimates and assumptions

Share-based payments

The fair value of share-based payments is determined using the Black-Scholes option pricing model based on estimated fair values at the date of grant. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the award. Changes in these assumptions can significantly affect the fair value estimate.

Asset retirement obligations

The Company's provision for reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at the Lawyers property. The provision reflects estimates of future costs, inflation, the timing of future cash outflows and the risk-free interest rate for discounting the future cash outflows.

Judgments

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available.

Impairment of exploration and evaluation assets

At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of impairment, if any. Indicators of impairment may include (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at February 29, 2024.

3. Material accounting policies (continued)

a) Management estimates and judgments (continued)

Going concern

Assessment of the Company's ability to continue as a going concern requires estimates of future cash flows and includes the consideration of other factors, the outcomes of which are uncertain.

Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the amount that is probable to be realized. Assessing the recoverability of deferred tax assets requires management to make significant judgments in connection with future taxable profits. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be probable. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to profit or loss.

d) Financial instruments

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

Financial assets

A financial asset is recognized when the Company has the contractual right to collect future cash flows. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recognized at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

Cash and short-term investments are recognized at FVTPL.

Receivables are initially recognized at their fair value, less transaction costs and subsequently carried at amortized cost using the effective interest method less impairment losses.

3. Material accounting policies (continued)

d) Financial instruments (continued)

Financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method. The Company's accounts payable are classified as financial instruments at amortized cost.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of operations.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

In applying this forward-looking approach, the Company separates instruments into the below categories:

1. financial instruments that have not deteriorated significantly since initial recognition or that have low credit risk.
2. financial instruments that have deteriorated significantly since initial recognition and whose credit loss is not low.
3. financial instruments that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

The Company assesses at each reporting date whether there is evidence that a financial asset or a group of financial assets is impaired. Evidence of impairment may include indications that a counter party is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when indicators suggest that there are measurable decreases in the estimated future cash flows.

The Company did not recognize any impairment of financial assets during the years ended February 29, 2024 and February 28, 2023.

e) Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss. Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current taxes are determined using tax rates enacted or substantively enacted at the balance sheet date.

3. Material accounting policies (continued)

e) Income taxes (continued)

Deferred income taxes are recorded using the liability method where by deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to the instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

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

f) Exploration and evaluation assets

Exploration and evaluation property acquisition costs and exploration costs directly related to specific properties are capitalized as exploration and evaluation assets and are classified as intangible assets, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analyzing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. All other costs, including administrative overhead are expensed as incurred. If the properties are put into commercial production, the capitalized costs of the related property are reclassified as mining assets, which will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

3. Material accounting policies (continued)

g) Equipment

The cost of an equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs. Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as a repairs and maintenance.

The carrying amounts of equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use. The major categories of equipment are depreciated at the following useful lives:

Camp equipment	20-30%	Declining balance

h) Government assistance

British Columbia Mining Exploration tax credits for certain exploration expenditures incurred in B.C. are treated as a reduction of the exploration and development costs of the respective mineral property and are recorded when it is probable the Company will receive the tax credits.

i) Earning (loss) per share

Income (loss) per share is computed by using weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding stock options and warrants. In the periods when the Company reports a net loss, the effect of potential issuances of shares under stock options and warrants is anti-dilutive. When diluted earnings per share is calculated, only those stock options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive (note 15).

j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

3. Material accounting policies (continued)

j) Leases (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation in accordance with the Company's accounting policy and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

k) Share-based payments

Share-based payments related to the issuance of stock options to employees and others providing similar services pursuant to the Company's stock option plan, is measured at grant date, for using the fair value method whereby compensation expense is recorded in profit or loss with a corresponding increase to option and warrant reserve in equity. Share-based payments related to warrants and options issued to non-employees are measured at the fair value of the goods or services received using the graded vesting method. When the value of goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. Consideration paid on the exercise of stock options and warrants is recorded as an increase to share capital. Upon the exercise of the stock options or compensation warrants, consideration received together with the amount previously recognized in option and warrant reserve is recorded as an increase to share capital. The Company incorporates an estimated forfeiture rate for stock options that may not vest.

3. Material accounting policies (continued)

k) Share-based payments (continued)

The Company recognizes share issue costs for the fair value of agents' warrants issued as finder's fees in connection with private placements. The fair value calculated is recorded as share issue costs with a corresponding credit to contributed surplus. The Company uses the Black-Scholes option pricing model to determine the fair value of the warrants issued.

l) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs. When some or all of the economic benefits required settling a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

m) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

n) Flow-through shares

The Company may, from time to time, issue flow-through shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, gross proceeds are allocated between the equity (share) and liability (Deferred flow-through liability) components on the issue date to the extent that a premium exists. The equity portion is measured at the estimated fair value and the residual is allocated as a liability.

When the expenditures are renounced, the Company reduces the deferred flow-through liability and records a recovery on settlement of flow-through liability as other income. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum two calendar year period.

3. Material accounting policies (continued)

n) Flow-through shares (continued)

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

Flow-through shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

o) Recent accounting pronouncements

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning on or after March 1, 2024, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the consolidated financial statements upon adoption of these new revised accounting pronouncements.

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. Management is currently assessing the impact of IFRS 18 on the consolidated financial statements. No standards have been early adopted in the current period.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Acquisition of Thesis Holdings

On August 23, 2023, the Company completed the acquisition of Thesis Holdings pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the “Transaction”). Under the terms of the Transaction, the Company acquired all of the outstanding shares of Thesis Holdings (the "Thesis Shares"). Thesis Holdings shareholders received 2.5584 of a common share for each share held in the acquired company (each whole share, a "Company Share") (the "Exchange Ratio"). As a result of this transaction, Thesis Holdings became a wholly owned subsidiary and the Company acquired a 100% interest in the Ranch Property.

Thesis Holdings’ Ranch Property is in the exploration stage, and there are no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the project. Consequently, the Company has accounted for its acquisition of Thesis Holdings as an asset acquisition.

Expressed in Canadian Dollars

4. Acquisition of Thesis Holdings (continued)

The amounts shown below represent fair value of the consideration given and the amounts allocated to the assets and liabilities acquired on the effective date of the Transaction, which was August 23, 2023.

Purchase consideration:	
Shares issued in exchange for Thesis Holdings Shares (i)	$ 40,597,484
Options and warrants issued in exchange for Thesis Holdings options and warrants (ii)	1,064,528
Other transaction costs (iii)	1,982,244
	$ 43,644,256
Assets acquired:	
Cash	$ 8,255,729
Other current assets	2,348,523
Reclamation bonds	310,000
Exploration and evaluation assets (note 5)	37,756,504
	48,670,756
Less: liabilities assumed:	
Accounts payable and accrued liabilities	(4,716,500)
Asset retirement obligation	(310,000)
Net assets acquired	**$ 43,644,256**

(i) For accounting purposes, 65,060,071 common shares issued were measured at $0.624 per common share, representing the Company's share price on the date of issuance.

(ii) 548,147 warrants were issued, and the Company estimated the fair value to be $nil due to the short period remaining until expiry and the high exercise price of the warrants. 5,471,040 options were issued, with a fair value of $0.01 to $0.29 per option, the value per option was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.624; expected life, 0.71 – 3.59 years; expected volatility, 61.23% - 72.65%; risk-free rate 4.25% - 5.34%; expected dividends, 0%.

(iii) In addition to the common shares issued in consideration for the acquisition of Thesis Holdings, the Company incurred transaction costs totaling $1,982,244. These costs were incurred in the process of the acquisition and include fees relating to accounting, consulting and legal fees.

5. Exploration and evaluation assets

Lawyers Property in British Columbia, Canada

On September 18, 2019, the Company acquired 100% of the Lawyers' Property through the acquisition of PPM Phoenix Precious Metals Corp. ("PPM"). The Lawyers Property is situated 45 km northwest of the former Kemess South open pit copper-gold mine in the Toodoggone region of the Omineca Mining Division of British Columbia and consists of 46 contiguous mineral claims. The claims cover approximately 14,392 hectares of land that encompass the Lawyers group of prospects, including the former Cheni underground gold-silver mine, Cliff Creek, Dukes Ridge, and Phoenix, and the Silver Pond group of prospects that cover six gold-silver mineral occurrences. Nine of these mineral claims, covering approximately 4,532 hectares, are not subject to royalties.

Expressed in Canadian Dollars

5. Exploration and evaluation assets (continued)

Total costs incurred on the Lawyers Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2022	**$ 5,552,828**	**$ 70,863,238**	**$ 76,416,066**
Fieldwork	-	3,962,104	3,962,104
Geology	-	304,148	304,148
Drilling	-	7,903,875	7,903,875
Engineering	-	2,817,664	2,817,664
Environmental	-	3,421,955	3,421,955
Assay	-	1,034,628	1,034,628
Amortization	-	48,540	48,540
Permits	-	23,069	23,069
Travel and support	-	324,867	324,867
Community relations	-	1,255,905	1,255,905
Road maintenance	-	2,113,750	2,113,750
Reclamation	-	357,374	357,374
Management fees	-	210,000	210,000
Mineral exploration tax credit	-	(644,182)	(644,182)
Balance, February 28, 2023	**$ 5,552,828**	**$ 93,996,935**	**$ 99,549,763**
Claims and land use	398	-	398
Fieldwork	-	3,689,240	3,689,240
Geology	-	229,538	229,538
Drilling	-	6,750,025	6,750,025
Engineering	-	967,117	967,117
Environmental	-	3,771,699	3,771,699
Assay	-	972,096	972,096
Amortization	-	47,230	47,230
Permits	-	42,684	42,684
Travel and support	-	311,092	311,092
Community relations	-	866,173	866,173
Road maintenance	-	2,981,424	2,981,424
Reclamation	-	839,914	839,914
Mineral exploration tax credit	-	(2,535,400)	(2,535,400)
Balance, February 29, 2024	**$ 5,553,226**	**$ 112,929,767**	**$ 118,482,993**

Expressed in Canadian Dollars

5. Exploration and evaluation assets (continued)

Ranch Property in British Columbia, Canada

On August 23, 2023, the Company acquired the Ranch Gold property, a mineral exploration property comprised of 31 British Columbia mineral claims totaling 17,832 hectares in the Tooddogone Region of northern British Columbia.

Total costs incurred on the Ranch Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2023	**$ -**	**$ -**	**$ -**
Acquisition	37,756,504	-	37,756,504
Claims and land use	19,512	-	19,512
Fieldwork	-	2,045,156	2,045,156
Geology	-	269,173	269,173
Drilling	-	6,622,599	6,622,599
Engineering	-	156,000	156,000
Environmental	-	1,463,266	1,463,266
Assay	-	906,658	906,658
Permits	-	211	211
Travel and support	-	177,069	177,069
Community relations	-	69,316	69,316
Road maintenance	-	1,213,296	1,213,296
Reclamation	-	393,964	393,964
Mineral exploration tax credit	-	(1,735,135)	(1,735,135)
Balance, February 29, 2024	**$ 37,776,016**	**$ 11,581,573**	**$ 49,357,589**

6. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

A summary of changes in common share capital during the years ended February 28, 2023 and February 29, 2024 is as follows:

On September 29, 2022, the Company completed the first tranche of a private placement of 10,200,000 non-flow through units at $1.09, and 5,997,192 flow-through units at $1.25, for gross proceeds of $18,622,896. Each unit consists of one common share of the Company and one-half of a transferable warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of $1.69 per share for a two-year period. The Company paid a cash commission of $1,117,374 and issued non-transferable agent warrants of the Company exercisable to purchase up to 971,832 shares at $1.09 per share for a two-year period.

On October 14, 2022, the Company completed the final tranche of a private placement of 1,602,538 flow-through units at $1.25, for gross proceeds of $1,999,968. Each unit consists of one common share of the Company and one-half of a transferable warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of $1.69 per share for a two-year period. The Company paid a cash commission of $119,998 and issued non-transferable agent warrants of the Company exercisable to purchase up to 96,152 shares at $1.09 per share for a two-year period.

Expressed in Canadian Dollars

6. Share capital (continued)

a) Common shares (continued)

On August 23, 2023, the Company issued 65,060,071 common shares for Thesis Holdings (note 4).

On October 5, 2023, the Company completed the first tranche of a private placement of 4,267,000 flow-through common shares at $1.13, for gross proceeds of $4,821,710. The Company paid a cash commission of $289,303 and issued non-transferable agent warrants of the Company exercisable to purchase up to 256,020 shares at $1.13 per share for a two-year period.

On October 10, 2023, the Company completed the final tranche of a private placement of 6,818,500 flow-through common shares at $0.93, for gross proceeds of $6,341,205. The Company paid a cash commission of $380,472 and issued non-transferable agent warrants of the Company exercisable to purchase up to 409,110 shares at $1.13 per share for a two-year period.

b) Warrants

A summary of share purchase warrant activity in the year is as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2022	**14,488,216**	**$ 4.21**
Issued	9,967,848	1.64
Expired	(7,451,232)	4.55
Balance, February 28, 2023	**17,004,832**	**$ 2.55**
Issued	1,213,277	1.82
Expired	(7,469,747)	3.79
Balance, February 29, 2024	**10,748,362**	**$ 1.61**

A summary of the warrants outstanding and exercisable is as follows:

February 29, 2024			**February 28, 2023**			
Exercise Price	**Number of warrants**	**Remaining contractual life (years)**	**Exercise Price**	**Number of warrants**	**Remaining contractual life (years)**	
$ -	-	-	$ 4.03	6,180,000	0.8	i
-	-	-	2.60	741,600	0.8	i
3.38	115,384	0.4	3.38	115,384	1.4	
1.69	8,098,596	0.6	1.69	8,098,596	1.6	
1.09	971,831	0.6	1.09	971,831	1.6	
1.69	801,269	0.6	1.69	801,269	1.6	
1.09	96,152	0.6	1.09	96,152	1.6	
1.13	256,020	1.6	-	-	-	
1.13	409,110	1.6	-	-	-	
$ 1.61	**10,748,362**	**0.6**	**$ 2.55**	**17,004,832**	**1.3**	

i) 6,921,600 warrants expired unexercised.

Expressed in Canadian Dollars

6. Share capital (continued)

b) Warrants (continued)

During the year ended February 29, 2024, the Company issued 548,147 warrants related to acquisition of Thesis Holdings (note 4). The 548,147 warrants expired February 17, 2024.

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of stock option activity in the year is as follows:

	Number of options		Weighted average exercise price
Outstanding options, February 28, 2022	**7,934,770**	**$**	**2.11**
Issued	403,846		1.17
Exercised	(347,308)		0.70
Outstanding options, February 28, 2023	**7,991,308**	**$**	**2.11**
Issued	5,841,040		1.33
Exercised	(192,308)		0.42
Expired	(310,573)		1.96
Outstanding options, February 29, 2024	**13,329,467**	**$**	**1.79**

On February 29, 2024, the Company granted incentive stock options, for the option to purchase up to 370,000 common shares. The options are exercisable at a price of $0.39 per common share, for a period of five years. The estimated fair value of these options of $96,200, or $0.26 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.40; expected life, 5 years; expected volatility, 77.76%; risk-free rate 3.57%; expected dividends, 0%.

On August 23, 2023, the Company issued 5,471,040 stock options related to acquisition of Thesis Holdings (note 4).

On April 14, 2022, the Company granted incentive stock options, for the option to purchase up to 19,230 common shares. The options are exercisable at a price of $2.86 per common share, for a period of one year. The estimated fair value of these options of $9,500, or $0.494 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $2.60; expected life, 1 year; expected volatility, 54.97%; risk-free rate 2.16%; expected dividends, 0%.

Expressed in Canadian Dollars

6. Share capital (continued)

c) Stock options (continued)

On October 21, 2022, the Company granted incentive stock options, for the option to purchase up to 384,614 common shares. The options are exercisable at a price of $1.09 per common share, for a period of five years. The estimated fair value of these options of $300,000, or $0.78 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $1.07; expected life, 5 years; expected volatility, 92.97%; risk-free rate 3.76%; expected dividends, 0%.

For the prior year ended February 28, 2023, the Company recognized share-based payment expense of $5,269 for options granted and vested in prior periods.

A summary of the options outstanding is as follows:

February 29, 2024			February 28, 2023			
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)	
$ -	-	-	$ 0.416	192,308	0.4	i
-	-	-	0.52	168,459	0.8	i
0.78	38,461	0.4	0.78	38,461	1.4	
0.78	2,390,377	1.1	0.78	2,390,377	2.1	
3.38	461,535	1.9	3.38	461,535	2.9	
-	-	-	3.90	96,153	0.2	i
2.99	1,780,759	2.3	2.99	1,780,759	3.3	
-	-	-	3.38	26,731	0.6	
2.86	2,432,681	2.9	2.86	2,432,681	3.9	
-	-	-	2.86	19,230	0.1	i
1.09	384,614	3.6	1.09	384,614	4.6	
1.67	98,400	0.2	-	-	-	
0.50	1,869,600	1.7	-	-	-	
1.32	600,240	2.2	-	-	-	
1.37	1,279,200	2.6	-	-	-	
2.46	1,623,600	3.0	-	-	-	
0.39	370,000	5.0	-	-	-	
$ 1.79	**13,329,467**	**2.3**	**$ 2.11**	**7,991,308**	**3.0**	

i) 310,573 options expired unexercised.

7. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

7. Financial instruments and risk management (continued)

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market Risk

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

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low, but acknowledges this may change in the future.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash and short-term investments held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Commodity price risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

7. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit risk at February 29, 2024 is equal to the total of the carrying values of cash, short-term investment and other receivable. The Company has assessed its exposure to credit risk on its cash and short-term investment and has determined that such risk is minimal. All of the Company's cash and its short-term investment are held with a financial institution in Canada. The Company has assessed its exposure to credit risk on its other receivable and has determined that such risk is low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at February 29, 2024, all of the Company's account payable and accrued liabilities of $4,498,089 and $29,535 of lease liabilities are due within one year.

Determination of fair value

The statement of financial position carrying amounts for other receivable and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: unobservable inputs for the asset or liability.

Expressed in Canadian Dollars

7. Financial instruments and risk management (continued)

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at February 29, 2024:

Asset:	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 7,265,418	-	-	$ 7,265,418
Short-term investment	$ 10,538	-	-	$ 10,538

As at February 28, 2023:

Asset:	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 17,198,551	-	-	$ 17,198,551
Short-term investment	$ 10,000	-	-	$ 10,000

8. Equipment

	Camp equipment
Balance, February 28, 2022	**$ 501,692**
Additions	403,210
Depreciation	(48,540)
Balance, February 28, 2023	**$ 856,362**
Depreciation	(47,230)
Balance, February 29, 2024	**$ 809,132**

During the year ended February 29, 2024, the Company capitalized $47,230 (2023 - $48,540) in depreciation to mineral properties.

Expressed in Canadian Dollars

9. Related party transactions and balances

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the year ended	**February 29, 2024**	**February 28, 2023**
Management fees paid to companies controlled by officers and a director	**$ 369,500**	$ 410,000
Management fees paid to companies controlled by former officers and a director	**215,833**	-
Consulting fees paid to companies controlled by a officer and former officer - capitalized to exploration and evaluation assets	**132,067**	210,000
Termination fees paid to former officers	**840,000**	-
Consulting fees paid to companies controlled by a director	**75,834**	
Director and committee fees	**254,000**	60,000
Share-based payments	**92,600**	300,000
	$ 1,979,834	$ 980,000

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The remuneration of key management personnel is summarized below:

For the year ended	**February 29, 2024**	**February 28, 2023**
Short-term benefits	**$ 717,400**	$ 680,000
Termination benefits	**840,000**	-
Share-based payments	**92,600**	300,000
	$ 1,650,000	$ 980,000

At February 29, 2024, accounts payable and accrued liabilities include $91,919 (2023 - $9,261) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

10. Right-of-use asset and lease liability

As at February 29, 2024 the Company was lessee to a premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

Expressed in Canadian Dollars

10. Right-of-use asset and lease liability (continued)

(a) Right-of-Use Assets

The continuity of right-of-use assets is as follows:

Balance, February 28, 2023	$	204,723
Depreciation		(81,889)
Balance, February 28, 2023	$	122,834
Depreciation		(81,889)
Balance, February 29, 2024	$	40,945

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		February 29, 2024		**February 28, 2023**
Undiscounted minimum lease payments:				
Less than one year	**$**	**30,890**	$	95,027
Two years		**-**		30,891
		30,890		125,918
Effect of discounting		**(1,355)**		(10,684)
Present value of minimum lease payments		**29,535**		115,234
Less current portion		**(29,535)**		(93,233)
Long-term portion	**$**	**-**	$	22,001

(c) Lease Liability Continuity

The lease liability continuity is as follows:

Balance, February 28, 2022	$	184,145
Principal repayments		(68,911)
Balance, February 28, 2023	$	115,234
Principal repayments		(85,699)
Balance, February 29, 2024	$	29,535

Expressed in Canadian Dollars

11. Income taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	February 29, 2024	February 28, 2023
Combined statutory tax rate	**27.00%**	27.00%
Expected income tax expense at combined statutory rate	**$ 528,946**	$ 113,208
Permanent differences and other	**541,560**	5,170,898
Deferred income tax expense	$ **1,070,506**	$ 5,284,106

Significant components of the Company's deferred tax liabilities and unrecognized deferred tax assets are as follows:

	February 29, 2024		February 28, 2023	
	Temporary difference	**DIT asset (liability)**	**Temporary difference**	**DIT asset (liability)**
Non-capital loss carry forwards	**$ 29,900,569**	**$ 8,073,544**	$ 19,323,710	$ 5,217,402
Flow-through liability	**-**	**-**	723,190	195,261
Share issuance costs	**4,596,405**	**1,241,369**	2,874,099	776,007
Exploration and evaluation assets	**(90,718,658)**	**(24,493,658)**	(73,897,815)	(19,952,410)
Capital assets	**195,823**	**52,872**	148,593	40,120
Asset retirement obligation	**2,192,282**	**591,536**	958,370	258,760
Other	**(11,410)**	**(3,081)**	(7,600)	(2,052)
Total gross deferred income tax assets (liability)	**(53,844,989)**	**(14,537,418)**	(49,877,453)	(13,466,912)
Less: unrecognized deferred income liability	**-**	**-**	-	-
Total deferred income tax liability	**$ (53,844,989)**	**$ (14,537,418)**	$ (49,877,453)	$ (13,466,912)

As at February 29, 2024, the Company had approximately $29,901,000 (2023 - $19,324,000) non-capital loss carry forwards available to reduce taxable income for future years. These losses expire as follows:

February 28, 2031	$ 11,000
February 29, 2032	98,000
February 28, 2033	192,000
February 28, 2034	205,000
February 28, 2035	694,000
February 29, 2036	319,000
February 28, 2037	833,000
February 28, 2038	677,000
February 28, 2039	1,666,000
February 29, 2040	2,480,000
February 28, 2041	3,185,000
February 28, 2042	6,917,000
February 28, 2043	7,009,000
February 29, 2044	5,615,000
	$ 29,901,000

Expressed in Canadian Dollars

12. Deferred flow-through liability

During the year ended February 28, 2022, the Company issued 7,744,615 flow-through shares for gross proceeds of $28,266,720 and recognized a deferred flow-through liability of $5,915,760, non-cash, which is the difference between the fair market value of the underlying common shares and the amount the investor paid for the flow-through units. During the year ended February 28, 2022, the Company spent 42.7% of the flow-through proceeds and recognized a partial settlement of the same percentage of the related deferred flow-through liability as other income. As at February 28, 2023, the Company had satisfied the remaining 57.3% of flow-through spending obligation. Therefore, the remaining $3,388,176 of the deferred flow-through liability was settled and recognized in other income during the year-ended February 28, 2023.

During the year ended February 28, 2023, the Company issued 7,599,731 flow-through shares for gross proceeds of $9,484,464 and recognized a deferred flow-through liability of $1,185,558, non-cash, which is the difference between the fair market value of the underlying common shares and the amount the investor paid for the flow-through units. During the year ended February 28, 2023, the Company spent 39% of the flow-through proceeds and recognized a partial settlement of the same percentage of the related deferred flow-through liability as other income. As at February 29, 2024, the Company had satisfied the remaining 61% of flow-through spending obligation. Therefore, $723,190 of the deferred flow-through liability was settled and recognized in other income.

During the year ended February 29, 2024, the Company issued 11,085,500 flow-through shares for gross proceeds of $11,162,915 and recognized a deferred flow-through liability of $4,443,430, non-cash, which is the difference between the fair market value of the underlying common shares and the amount the investor paid for the flow-through units. During the year ended February 29, 2024, the Company spent 100% of the flow-through proceeds and recognized a settlement of the same percentage of the related deferred flow-through liability as other income. Therefore, $4,443,430 of the deferred flow-through liability was settled and recognized in other income.

13. Reclamation bonds and asset retirement obligation

The Company's exploration and evaluation assets are governed by laws and regulations covering the protection of the environment. The Company carries out rehabilitation work during the exploration of its exploration and evaluation assets and makes allowance for eventual reclamation upon closing the project; consequently, the Company has accounted for its asset retirement obligations using best estimates of future costs, based on information available at the reporting date.

In addition, in order to obtain mineral exploration permits, the Company is required to place reclamation bonds with the Ministry of Energy, Mines and Low Carbon Innovation of the Province of British Columbia. As at February 29, 2024, the Company has total of $1,879,473 in reclamation bonds.

The continuity of asset retirement obligation is as follows:

	Lawyers Property	Ranch Property	Total
Balance, February 28, 2022	**$ 600,996**	**$ -**	**$ 600,996**
Additions	357,374	-	**357,374**
Balance, February 28, 2023	**$ 958,370**	**$ -**	**$ 958,370**
Additions	839,912	703,964	1,543,876
Balance, February 29, 2024	**$ 1,798,282**	**$ 703,964**	**$ 2,502,246**

Expressed in Canadian Dollars

14. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of its exploration assets. The Company does not have any externally imposed capital requirements to which it is subject.

As at February 29, 2024, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

15. Earning (loss) per share

		February 29, 2024		February 28, 2023
Numerator				
Income (loss) attributable to common shares	**$**	**888,552**	$	(4,864,817)
Denominator				
Weighted average number of shares for basic earnings per share		**136,069,705**		86,330,888
Dilutive effect of stock options		**204,998**		-
Weighted average number of shares for diluted earnings per share		**136,274,703**		86,330,888
Basic earnings (loss) per common share	**$**	**0.01**	$	(0.06)
Diluted earnings (loss) per common share	**$**	**0.01**	$	(0.06)

At February 29, 2024, 11,089,867 stock options and 10,748,362 warrants which were potentially dilutive were not included in the diluted earnings per share calculation because their effect was anti-dilutive.

During the year ended February 28, 2023, 7,991,308 stock options and 17,004,832 warrants were anti-dilutive as the Company reported a net loss.

16. Subsequent events

Subsequent to the year ended February 29, 2024, the Company granted incentive stock options, for the option to purchase up to 3,650,000 common shares. The options are exercisable at a price of $0.47 per common share, for a period of five years.

Subsequent to the year ended February 29, 2024, the Company completed a private placement of 8,849,500 flow-through common shares at $1.13; 6,702,500 flow-through common shares at $0.90 and 6,556,318 non-flow-through common shares at $0.75; for gross proceeds of $20,949,423. The Company paid a cash commission of $1,256,965 and issued non-transferable agent warrants of the Company exercisable to purchase up to 1,326,499 shares at $0.95 per share for an 18-month period.