

# **THEESIS GOLD INC.**

*(formerly Benchmark Metals Inc.)*

Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2024 and 2023

Expressed in Canadian Dollars

(Unaudited)

To the shareholders of Thesis Gold Inc.:

The consolidated condensed interim financial statements of Thesis Gold Inc. (the "Company") for the three and six months ended August 31, 2024 and 2023 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

THEESIS GOLD INC. (formerly Benchmark Metals Inc.)  
Consolidated Condensed Interim Statements of Financial Position  
As at August 31, 2024 and February 29, 2024  
Expressed in Canadian Dollars

(unaudited)

	August 31, 2024	February 29, 2024
<b>ASSETS</b>		
Current		
Cash	\$ 15,980,050	\$ 7,265,418
Short-term investment	35,538	10,538
Goods and services tax credit receivable	692,737	219,308
Mineral exploration tax credit receivable	4,853,928	4,338,417
Other receivable	54,993	58,476
Prepaid expenses and deposits	517,933	1,365,666
	<u>22,135,179</u>	<u>13,257,823</u>
Equipment (note 8)	791,731	809,132
Exploration and evaluation assets (note 5)	181,286,912	167,840,582
Reclamation bonds (note 12)	589,099	1,879,473
Right-of-use asset (note 10)	-	40,945
	<u>\$ 204,802,921</u>	<u>\$ 183,827,955</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 7,542,516	\$ 4,498,089
Deferred flow-through liability	2,370,773	-
Current portion of lease liability (note 10)	-	29,535
	<u>9,913,289</u>	<u>4,527,624</u>
Asset retirement obligation (note 12)	2,502,246	2,502,246
Deferred taxes	16,384,485	14,537,418
	<u>28,800,020</u>	<u>21,567,288</u>
<b>EQUITY</b>		
Share capital (note 6)	188,321,982	175,250,081
Option and warrant reserves (note 6)	17,953,975	16,660,000
Deficit	(30,273,056)	(29,649,414)
	<u>176,002,901</u>	<u>162,260,667</u>
	<u>\$ 204,802,921</u>	<u>\$ 183,827,955</u>

Subsequent events (note 14)

Authorized for issuance on behalf of the Board on October 31, 2024:

Director (signed by) "Lisa Peterson"

Director (signed by) "Ewan Webster"

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

THEISIS GOLD INC. (formerly Benchmark Metals Inc.)

Consolidated Condensed Interim Statements of Comprehensive Income (Loss)

For the three and six months ended August 31, 2024 and 2023

Expressed in Canadian Dollars

(unaudited)

For the	three months ended August 31		six months ended August 31	
	2024	2023	2024	2023
<b>Expenses</b>				
Exploration expenses	\$ (18,341)	\$ 6,960	\$ 10,344	\$ 8,123
Marketing and investor relations expenses	281,411	210,333	562,563	489,203
Management and consulting fees (note 9)	277,249	1,183,720	556,459	1,440,720
Office and administration	118,693	57,121	211,784	131,582
Professional fees (note 4)	133,416	(107,006)	258,334	102,906
Regulatory and filing fees	11,275	11,863	13,578	45,316
Share-based compensation (note 6)	-	-	1,095,000	-
	<b>(803,703)</b>	<b>(1,362,991)</b>	<b>(2,708,062)</b>	<b>(2,217,850)</b>
<b>Other</b>				
Interest income	167,964	553,808	223,355	749,988
Settlement of flow-through liability (note 11)	3,708,132	580,923	3,708,132	723,190
<b>Income (loss) before taxes</b>	<b>3,072,393</b>	<b>(228,260)</b>	<b>1,223,425</b>	<b>(744,672)</b>
Deferred income tax recovery (expense)	<b>(2,046,621)</b>	<b>(1,026,445)</b>	<b>(1,847,067)</b>	<b>(819,187)</b>
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ 1,025,772</b>	<b>\$ (1,254,705)</b>	<b>\$ (623,642)</b>	<b>\$ (1,563,859)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>
<b>Basic and diluted weighted average number of common shares outstanding</b>	<b>191,300,858</b>	<b>103,521,956</b>	<b>182,629,055</b>	<b>100,601,924</b>

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

THESES GOLD INC. (formerly Benchmark Metals Inc.)  
Consolidated Condensed Interim Statements of Changes in Equity  
For the six months ended August 31, 2024 and 2023  
Expressed in Canadian Dollars

(unaudited)

	Number of shares	Share capital	Option and Warrant reserve	Deficit	Total equity
<b>Balance at February 28, 2023</b>	<b>97,713,632</b>	<b>\$ 128,723,496</b>	<b>\$ 15,538,515</b>	<b>\$ (30,537,966)</b>	<b>\$ 113,724,045</b>
Shares issued for cash	192,308	152,500	(72,500)	-	80,000
Shares issued for exploration and evaluation assets	65,060,071	40,597,484	1,859,858	-	42,457,342
Share issuance costs	-	(11,686)	-	-	(11,686)
Comprehensive loss	-	-	-	(1,563,859)	(1,563,859)
<b>Balance at August 31, 2023</b>	<b>162,966,011</b>	<b>\$ 169,461,794</b>	<b>\$ 17,325,873</b>	<b>\$ (32,101,825)</b>	<b>\$ 154,685,842</b>
Shares issued for cash	11,085,500	11,162,915	-	-	11,162,915
Shares issued for exploration and evaluation assets	-	-	(795,330)	-	(795,330)
Deferred flow-through liability	-	(4,443,430)	-	-	(4,443,430)
Share issuance costs	-	(897,941)	-	-	(897,941)
Finders warrants issued	-	(33,257)	33,257	-	-
Share-based payments	-	-	96,200	-	96,200
Comprehensive income	-	-	-	2,452,411	2,452,411
<b>Balance at February 29, 2024</b>	<b>174,051,511</b>	<b>\$ 175,250,081</b>	<b>\$ 16,660,000</b>	<b>\$ (29,649,414)</b>	<b>\$ 162,260,667</b>
Share issued for cash	22,108,318	20,949,423	-	-	20,949,423
Deferred flow-through liability	-	(6,078,905)	-	-	(6,078,905)
Share issuance costs	-	(1,599,642)	-	-	(1,599,642)
Finders warrants issued	-	(198,975)	198,975	-	-
Share-based payments	-	-	1,095,000	-	1,095,000
Comprehensive loss	-	-	-	(623,642)	(623,642)
<b>Balance at August 31, 2024</b>	<b>196,159,829</b>	<b>\$ 188,321,982</b>	<b>\$ 17,953,975</b>	<b>\$ (30,273,056)</b>	<b>\$ 176,002,901</b>

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

THEISIS GOLD INC. (formerly Benchmark Metals Inc.)  
Consolidated Condensed Interim Statements of Cash Flows  
For the six months ended August 31, 2024 and 2023  
Expressed in Canadian Dollars

(unaudited)

<b>For the six months ended</b>	<b>August 31, 2024</b>	<b>August 31, 2023</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (623,642)	\$ (1,563,859)
Items not effecting cash:		
Deferred taxes	1,847,067	819,187
Share-based payments (note 6)	1,095,000	-
Settlement of deferred flow-through liability	(3,708,132)	(723,190)
	<u>(1,389,707)</u>	<u>(1,467,892)</u>
Changes in non-cash working capital:		
Amounts receivable	(33,585)	8,433,011
Goods and services tax receivable	(473,429)	(999,240)
Prepaid expenses and deposits	847,733	(504,547)
Accounts payable and accrued liabilities	(5,116,292)	5,122,386
	<u>(6,165,280)</u>	<u>10,583,748</u>
Cash (used in) provided by operating activities		
	<u>(6,165,280)</u>	<u>10,583,748</u>
<b>Investing activities</b>		
Acquisition of subsidiary	-	8,255,729
Exploration and evaluation assets expenditures	(5,735,243)	(12,074,962)
Purchase of short-term investments	(25,000)	-
Return of reclamation deposit (note 12)	1,290,374	-
	<u>(4,469,869)</u>	<u>(3,819,233)</u>
Cash used in investing activities		
	<u>(4,469,869)</u>	<u>(3,819,233)</u>
<b>Financing activities</b>		
Proceeds from private placements	20,949,423	-
Proceeds from exercise of options	-	80,000
Share issuance costs	(1,599,642)	(11,686)
	<u>19,349,781</u>	<u>68,314</u>
Cash provided by financing activities		
	<u>19,349,781</u>	<u>68,314</u>
<b>Net increase in cash</b>	<b>8,714,632</b>	<b>6,832,829</b>
Cash – beginning of period	<u>7,265,418</u>	<u>17,198,551</u>
<b>Cash – end of period</b>	<b>\$ 15,980,050</b>	<b>\$ 24,031,380</b>

The accompanying notes form an integral part of these consolidated condensed interim 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 registered office is located at 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 unaudited consolidated condensed interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements under International Accounting Standard 34 *Interim Financial Reporting*. These financial statements were authorized for issue by the Board of Directors of the Company on October 30, 2024. The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 29, 2024, unless otherwise stated. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended February 29, 2024 and February 28, 2023.

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.

<b>Name of Subsidiary</b>	<b>Proportion of Ownership Interest</b>	<b>Principal Activity</b>
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

### New accounting standards effective March 1, 2024

The IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. There are no material changes to the consolidated financial statements upon adoption of IAS1.

#### 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.

The amounts shown below represent fair value of the consideration given and fair value of 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)	<u>1,982,244</u>
	<b><u>\$ 43,644,256</u></b>

Assets acquired:

Cash	\$ 8,255,729
Other current assets	2,348,523
Reclamation bonds	310,000
Exploration and evaluation assets (note 5)	<u>37,756,504</u>

48,670,756

Less: liabilities assumed:

Accounts payable and accrued liabilities	(4,716,500)
Asset retirement obligation	<u>(310,000)</u>

**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.

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

	<b>Acquisition</b>	<b>Exploration</b>	<b>Total</b>
<b>Balance, February 29, 2024</b>	<b>\$ 5,553,226</b>	<b>\$ 112,929,767</b>	<b>\$ 118,482,993</b>
Fieldwork	-	1,315,175	1,315,176
Geology	-	237,434	237,434
Drilling	-	2,377,976	2,377,976
Engineering	-	934,450	934,450
Environmental	-	669,334	669,334
Assay	-	82,209	82,209
Amortization	-	17,402	17,402
Permits	-	1,030	1,030
Travel and support	-	70,494	70,494
Community relations	-	587,650	587,650
Road maintenance	-	42,118	42,118
Mineral exploration tax credit	-	(179,806)	(179,806)
<b>Balance, August 31, 2024</b>	<b>\$ 5,553,226</b>	<b>\$ 119,085,233</b>	<b>\$ 124,638,460</b>

## 5. Exploration and evaluation assets

### 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 Tooodogone Region of northern British Columbia.

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

	<b>Acquisition</b>	<b>Exploration</b>	<b>Total</b>
<b>Balance, February 29, 2024</b>	<b>\$ 37,776,016</b>	<b>\$ 11,581,573</b>	<b>\$ 49,357,589</b>
Fieldwork	-	2,413,364	2,413,364
Geology	-	200,253	200,253
Drilling	-	2,159,976	2,159,976
Engineering	-	348,962	348,962
Environmental	-	1,722,877	1,722,877
Assay	-	98,873	98,873
Travel and support	-	53,236	53,236
Community relations	-	589,662	589,662
Road maintenance	-	2,760	2,760
Mineral exploration tax credit	-	(298,637)	(298,637)
<b>Balance, August 31, 2024</b>	<b>\$ 37,776,016</b>	<b>\$ 18,872,436</b>	<b>\$ 56,648,452</b>

## 6. Share capital

### a) Common shares

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

On August 23, 2023, the Company issued 65,060,071 common shares for Thesis Holdings (note 3).

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.

On June 21, 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.

6. Share capital (continued)

b) Warrants

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

	Number of warrants	Weighted average exercise price
<b>Balance, February 29, 2024</b>	<b>10,748,362</b>	<b>\$ 1.61</b>
Issued	1,326,499	0.95
Expired	(115,384)	3.38
<b>Balance, August 31, 2024</b>	<b>11,959,477</b>	<b>\$ 1.52</b>

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

August 31, 2024			February 29, 2024		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
\$ -	-	-	\$ 3.38	115,384	0.4
1.69	8,899,865	0.1	1.69	8,899,865	0.6
1.09	1,067,983	0.1	1.09	1,067,983	0.6
1.13	665,130	1.1	1.13	665,130	1.6
0.95	1,326,499	1.3	-	-	-
<b>\$ 1.52</b>	<b>11,959,477</b>	<b>0.3</b>	<b>\$ 1.61</b>	<b>10,748,362</b>	<b>0.6</b>

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 period is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding options, February 29, 2024</b>	<b>13,329,467</b>	<b>\$ 1.79</b>
Issued	3,650,000	0.47
Expired	(136,861)	1.42
<b>Outstanding options, August 31, 2024</b>	<b>16,842,606</b>	<b>\$ 1.51</b>

**6. Share capital (continued)**

On March 13, 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. The estimated fair value of these options of \$1,095,000, or \$0.30 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 \$0.47; expected life, 5 years; expected volatility, 77.66%; risk-free rate 3.50%; expected dividends, 0%.

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 3).

c) Stock options (continued)

A summary of the options outstanding is as follows:

August 31, 2024			February 29, 2024		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ -	-	-	\$ 0.78	38,461	0.4
0.78	2,390,377	0.6	0.78	2,390,377	1.1
3.38	461,535	1.4	3.38	461,535	1.9
2.99	1,780,759	1.8	2.99	1,780,759	2.3
2.86	2,432,681	2.4	2.86	2,432,681	2.9
1.09	384,614	3.1	1.09	384,614	3.6
-	-	-	1.67	98,400	0.2
0.50	1,869,600	1.2	0.50	1,869,600	1.7
1.32	600,240	1.7	1.32	600,240	2.2
1.37	1,279,200	2.1	1.37	1,279,200	2.6
2.46	1,623,600	2.6	2.46	1,623,600	3.1
0.39	370,000	4.5	0.39	370,000	5.0
0.47	3,650,000	4.5	-	-	-
<b>\$ 1.51</b>	<b>16,842,606</b>	<b>2.4</b>	<b>\$ 1.80</b>	<b>13,329,467</b>	<b>2.3</b>

## 7. Financial instruments and risk management

The Company is exposed to the following financial risks:

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

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.

## 7. Financial instruments and risk management (continued)

### *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.

### 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 August 31, 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 August 31, 2024, all of the Company's account payable and accrued liabilities of \$7,542,516 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.

**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 August 31, 2024:**

Asset:	Level 1	Level 2	Level 3	Total
Cash	\$ 15,980,050	-	-	\$ 15,980,050
Short-term investment	\$ 35,538	-	-	\$ 35,538

**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

**8. Equipment**

	Camp equipment
<b>Balance, February 29, 2024</b>	<b>\$ 809,132</b>
Depreciation	(17,401)
<b>Balance, August 31, 2024</b>	<b>\$ 791,731</b>

During the six months ended August 31, 2024, the Company capitalized \$17,401 (February 29, 2024 - \$47,230) in depreciation to mineral properties.

**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 six months ended	August 31, 2024	August 31, 2023
Management fees paid to companies controlled by officers and a director	\$ 350,000	\$ 112,500
Consulting fees paid to companies controlled by a former officer - capitalized to exploration and evaluation assets	33,355	8,000
Director and committee fees	135,500	204,000
Share-based payments	720,000	-
Management fees paid to companies controlled by former officers and a director	-	210,000
Termination fees paid to former officers	-	840,000
	<b>\$ 1,238,855</b>	<b>\$ 1,374,500</b>

**9. Related party transactions and balances**

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:

<b>For the six months ended</b>	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Short-term benefits	\$ 518,855	\$ 534,500
Share-based payments	<b>720,000</b>	
Termination benefits	-	840,000
	<b>\$ 1,238,855</b>	<b>\$ 1,374,500</b>

At August 31, 2024, accounts payable and accrued liabilities include \$25,918 (February 29, 2024 - \$91,919) 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**

On September 1, 2021, the Company entered into a three-year premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum. As at August 31, 2024 the Company's premises lease concluded and was not extended.

(a) Right-of-Use Assets

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

<b>Balance, February 28, 2023</b>	\$ 122,834
Depreciation	(81,889)
<b>Balance, February 29, 2024</b>	\$ 40,945
Depreciation	(40,945)
<b>Balance, August 31, 2024</b>	<b>\$ -</b>

(b) Lease Liabilities

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

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Undiscounted minimum lease payments:		
Less than one year	\$ -	\$ 78,404
Two years	-	-
	-	78,404
Effect of discounting	-	(4,953)
Present value of minimum lease payments	-	73,451
Less current portion	-	(73,451)
Long-term portion	<b>\$ -</b>	<b>\$ -</b>



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

(c) Lease Liability Continuity

The lease liability continuity is as follows:

<b>Balance, February 28, 2023</b>	\$ 115,234
Principal repayments	<u>(85,699)</u>
<b>Balance, February 29, 2024</b>	\$ 29,535
Principal repayments	<u>(29,535)</u>
<b>Balance, August 31, 2024</b>	<u>\$ -</u>

**11. Deferred flow-through liability**

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 expenditures are renounced, the Company reduces the deferred flow-through liability and records a recovery on settlement of flow-through liability as other income.

A summary of changes in deferred flow-through liability during the period ended is as follows:

<b>Balance, February 28, 2023</b>	\$ 723,190
Settlement of flow-through liability	<u>(142,267)</u>
<b>Balance, May 31, 2023</b>	580,923
Flow-through shares issued at a premium	4,443,430
Settlement of flow-through liability	<u>(5,024,353)</u>
<b>Balance, February 29, 2024</b>	-
Flow-through shares issued at a premium	6,078,905
Settlement of flow-through liability	<u>(3,708,132)</u>
<b>Balance, August 31, 2024</b>	<u>\$ 2,370,773</u>

During the year ended February 29, 2024, the Company issued 11,085,500 flow-through common shares at \$0.93, for gross proceeds of \$6,341,205. 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 shares.

During six months ended August 31, 2024, the Company issued 8,849,500 flow-through common shares at \$1.13 and 6,702,500 flow-through common shares at \$0.90, for gross proceeds of \$16,032,185. and recognized a deferred flow-through liability of \$6,078,905, 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 shares.

As at August 31, 2024, the Company is required to spend an additional \$6,175,268 on eligible flow-through expenditures to satisfy its flow-through obligation.

## 12. 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. During the six-months ended the Company posted a surety bond to replace cash on deposit with the Ministry of Energy, Mines and Low Carbon Innovation and \$1,843,391 was returned to Thesis. In order to receive the surety bond the Company was required to post collateral of \$553,017 in the form of a GIC pledged in an irrevocable letter of credit. As at August 31, 2024, the Company has total of \$589,099 (February 29, 2024 - \$1,879,473) in reclamation bonds.

The continuity of asset retirement obligation is as follows:

	<b>Lawyers Property</b>	<b>Ranch Property</b>	<b>Total</b>
<b>Balance, February 28, 2023</b>	<b>\$ 958,370</b>	<b>\$ -</b>	<b>\$ 958,370</b>
Additions	839,912	703,964	1,543,876
<b>Balance, February 29 and August 31, 2024</b>	<b>\$ 1,798,282</b>	<b>\$ 703,964</b>	<b>\$ 2,502,246</b>

## 13. 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 August 31, 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.

## 14. Subsequent events

Subsequent to August 31, 2024, 9,967,848 warrants expired unexercised.