



Homeland Nickel

America's source for domestic nickel

HOMELAND NICKEL INC.

(FORMERLY SPRUCE RIDGE RESOURCES LTD.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2024

(Unaudited – Expressed in Canadian Dollars)

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

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three months ended July 31, 2024, have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)
For the three months ended July 31, 2024 and 2023

	Notes	July 31, 2024 \$	April 30, 2024 \$
Assets			
Current			
Cash		151,813	172,269
Accounts receivable		64,147	71,928
Marketable securities – short term		7,991,095	7,265,906
Prepaid expenses		50,574	52,124
		<u>8,257,629</u>	<u>7,562,227</u>
Marketable securities – long term		650,000	700,000
Exploration and evaluation assets		5,995,995	5,969,207
Property and equipment, net		70,193	124,969
Security deposits		70,176	70,176
Total Assets		<u>15,043,963</u>	<u>14,426,579</u>
Liabilities			
Current			
Accounts payable and accrued liabilities		144,661	241,899
Total Liabilities		<u>144,661</u>	<u>241,899</u>
Shareholders' Equity			
Share capital		18,816,977	18,816,977
Shares to be issued		158,960	-
Warrants		296,599	296,599
Contributed surplus		3,992,930	3,992,930
Dividends Canada Nickel Shares		(11,314,369)	(11,314,369)
Accumulated other comprehensive income		83,131	56,675
Retained earnings		358,891	1,309,138
Non-controlling interest		72,873	1,084,619
Total Shareholders' Equity		<u>12,465,992</u>	<u>14,184,680</u>
Total Liabilities and Shareholders' Equity		<u>12,610,653</u>	<u>14,426,579</u>

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)
For the three months ended July 31, 2024 and 2023

	Notes	2024 \$	2023 \$
Oil and gas revenue		-	-
Oil Expenses			
Accretion		-	-
Amortization		-	-
Filing fees		-	(1,000)
Professional fees		-	-
Office and general		-	(104)
Operator expenses		-	(4,032)
Royalties		-	(1,774)
		-	(6,910)
Income / (Loss) from oil and gas operations		-	6,910
Amortization		4,813	6,796
Consultants		15,000	-
Exploration expenses		94,675	(7,638)
Filing fees		9,043	-
Investor and shareholder relations		6,995	2,036
Management fee		54,000	42,000
Office and general		12,372	4,972
Professional fees		109,701	66,923
Property expenses		-	1,320
Property investigation		-	6,710
Share based compensation		57,889	-
		364,488	123,119
Net operating loss before other income		(364,488)	(116,209)
Gain on sale of marketable securities		134,238	43,697
Gain on sale of property and equipment, net		77,443	-
Loss on foreign exchange		(3,647)	-
Interest income		-	4,436
Rental income		-	4,050
Marketable securities – fair value adjustment		(1,646,881)	(1,187,066)
Net income (loss)		(1,803,335)	(1,251,092)
Net income (loss) attributable to:			
Common shareholders		(1,802,478)	(1,251,092)
Non controlling interest		(857)	-
Net income (loss) per share – basic and diluted		(0.01)	(0.03)
Weighted average outstanding shares		217,707,202	180,207,202
Other comprehensive income:			
Currency translation adjustments		26,758	-
Comprehensive income		26,758	-
Comprehensive income attributable to:			
Common shareholders		26,456	-
Non controlling interest		302	-

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)
As at July 31, 2024 and 2023

	Shares Issued	Share Capital \$	Shares to be Issued \$	Warrants \$	Contributed Surplus \$	Dividends – Canada Nickel Shares \$	Accumulated Other Comprehensive Income \$	Retained Earnings \$	Non- controlling Interest \$	Total \$
Balance, April 30, 2023	180,207,202	17,430,583	-	25,250	3,279,276	(11,314,369)	-	988,345	-	16,223,266
Loss and comprehensive loss	-	-	-	-	-	-	-	(1,251,092)	-	(1,251,092)
Balance, July 31, 2023	180,207,202	17,430,583	-	25,250	3,279,276	(11,314,369)	-	(262,747)	-	9,157,993
Private placement	30,000,000	1,200,000	-	300,000	-	-	-	-	-	1,500,000
Share issue costs	-	(13,606)	-	(3,401)	-	-	-	-	-	(17,007)
Options / RSUs granted	-	-	-	-	630,515	-	-	-	-	630,515
Shares cancelled – settlement	(5,000,000)	(425,000)	-	-	-	-	-	-	-	(425,000)
Shares issued – RFN Holdings Limited	10,000,000	500,000	-	-	-	-	-	-	-	500,000
Shares issued – Shamrock Property	2,500,000	125,000	-	-	-	-	-	-	-	125,000
Warrants expired	-	-	-	(25,250)	25,250	-	-	-	-	-
Non controlling interest	-	-	-	-	-	-	-	-	1,070,705	1,070,705
Net income	-	-	-	-	-	-	-	1,571,885	(385)	1,571,500
Other comprehensive income	-	-	-	-	-	-	56,675	-	14,299	70,974
Balance, April 30, 2024	217,707,202	18,816,977	-	296,599	3,935,041	(11,314,369)	56,675	1,309,138	1,084,619	14,184,680
Options / RSUs vesting	-	-	-	-	57,889	-	-	-	-	57,889
Non controlling interest	-	-	-	-	-	-	-	-	(1,011,191)	(1,011,191)
Gain on acquisition of minority interest	-	-	-	-	-	-	-	852,231	-	852,231
Shares issued for non-controlling interest	-	-	158,960	-	-	-	-	-	-	158,960
Net income	-	-	-	-	-	-	-	(1,802,478)	(857)	(1,803,335)
Other comprehensive income	-	-	-	-	-	-	26,456	-	302	26,758
Balance, July 31, 2024	217,707,202	18,816,977	158,960	296,599	3,992,930	(11,314,369)	83,131	358,891	72,873	12,465,992

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)
As at July 31, 2024 and 2023

	Notes	2024 \$	2023 \$
Operating activities			
Net income (loss) for the year		(1,803,335)	(1,251,092)
Add back / deduct non-cash expenses			
Amortization		4,813	6,796
Gain on sale of marketable securities		(134,238)	(43,697)
Gain on sale of property and equipment, net		(77,443)	-
Interest income		-	(4,436)
Share based compensation		57,889	-
Marketable securities - fair value adjustment		1,646,881	1,187,066
Total Non-cash (Income) Expenses		1,497,902	1,145,729
Changes in non-cash balances			
Accounts receivable		7,781	(12,961)
Security deposits		-	(50,000)
Prepaid expenses		1,550	(45,219)
Accounts payable and accrued liabilities		(97,238)	58,154
Changes in Operating Activities		(87,907)	(50,026)
Total cash used in operating activities		(393,340)	(155,389)
Investing activities			
Net proceeds on sale of marketable securities		245,478	48,075
Net proceeds on sale of property and equipment		127,406	-
Purchase of exploration and evaluation assets		-	(9,050)
Purchase of fixed assets		-	(23,000)
Total cash provided (used) in investing activities		372,884	16,025
Financing activities			
Total cash provided by financing activities		-	-
Change in cash		(20,456)	(139,364)
Cash (indebtedness) at the beginning of the period		172,269	213,772
Cash at the end of the year		151,813	74,408

1. Nature of operations and going concern

Homeland Nickel Inc. (“**Homeland**” or the “**Company**”) is a public company listed on the TSX Venture Exchange (TSXV - SHL) and OTC Markets (OTCQB - SRGCF) and operating under the laws of the Province of Ontario. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States and has not yet determined whether these properties contain reserves that are economically recoverable. The Company’s registered head office is located at 110 Yonge Street, Suite 1601 Toronto, ON M5C 1T4.

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from April 30, 2023. At July 31, 2024, the Company has retained earnings, net of dividends – Canada Nickel share of negative \$10,955,478 (April 30, 2024 – \$10,005,231) and incurred a net operating loss of \$364,488 (April 30, 2024 - \$1,705,014). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development.

The condensed interim consolidated financial statements of the Company for the period ended July 31, 2024, were authorized for issue in accordance with a resolution of the Board of Directors September 30, 2024.

2. Summary of Significant accounting policies

(a) Basis of presentation and statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB, have been omitted or condensed.

The condensed interim consolidated financial statements of the Company include the accounts of its wholly owned subsidiaries Spruce Ridge Oil & Gas Inc. (“SROG”), RFN Holdings Limited (“RFNH”), and Spruce Oregon Holdings, LLC (“SOH”). In addition, RFNH has an 1.2% interest in Homeland Nickel Corp (“HLNC”). Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany balances and transactions are eliminated upon consolidation.

The condensed interim consolidated financial statements should be read in conjunction with the most recent annual financial statements of Homeland, which includes information necessary or useful to understanding the Company’s financial statement presentation. In particular, the Company’s significant accounting policies were presented in Note 2 to the consolidated financial

2. Summary of Significant Accounting policies (continued)

statements for the year ended April 30, 2024 and have been consistently applied in the preparation of these condensed interim consolidated financial statements except as described herein.

The operating results for the three months ended July 31, 2024, are not necessarily indicative of results that may be expected for the full year ended April 30, 2025, due to variation in property expenses and other factors.

3. Accounts Receivable

	31-Jul-24	30-Apr-24
	\$	\$
HST	16,038	23,997
GST - SROG	21,225	21,047
Accounts receivable	1,884	1,884
Share subscription receivable	25,000	25,000
Total	<u>64,147</u>	<u>71,928</u>

1 – Royalties receivable

	31-Jul-24	30-Apr-24
	\$	\$
Balance, beginning of year	-	208,892
Add: Sale of oil and gas assets	-	-
Add: Interest income	-	-
Reclassify: Long-term portion	-	18,164
Less: Write down	-	(227,056)
Long-term portion	<u>-</u>	<u>-</u>

During the year ended April 30, 2023, as a result of the sale of oil and gas assets, the Company was to be receiving a 5% royalty on future production to a maximum of \$475,000. The Company applied a discount rate of 8% to expected future cash flows to the royalties receivable over an estimated period of 10 years.

During the year ended April 30, 2024, the Company recorded a write-down of the royalties receivable in the amount of \$227,056 because oil production at the property ceased and there is no certainty as to if or when production will commence in the future.

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
As at July 31, 2024 and 2023

4. Marketable securities

At July 31 and April 30, 2024, the Company held marketable securities as follows:

July 31, 2024	Number of Shares	Cost	Short Term FV Adjustment	Long Term FV Adjustment	Fair Value
Benton Resources Inc. - ST	9,690,000	436,050	823,650	-	1,259,700
Benton Resources Inc. - LT	5,000,000	225,000	-	425,000	650,000
Canada Nickel Company	3,379,195	1,773,258	1,943,857	-	3,717,115
Noble Mineral Exploration	9,960,000	1,202,278	(704,278)	-	498,000
Magna Terra Minerals Inc.	2,761,312	173,611	(90,772)	-	82,839
Cerro Grande Mining Corp.	26,150	20,593	(20,462)	-	131
		3,830,790	1,951,995	425,000	6,207,785

April 30, 2024	Number of Shares	Cost	Short Term FV Adjustment	Long Term FV Adjustment	Fair Value
Benton Resources Inc. - ST	10,000,000	450,000	950,000	-	1,400,000
Benton Resources Inc. - LT	5,000,000	225,000	-	475,000	700,000
Canada Nickel Company	3,555,395	1,150,130	4,005,192	-	5,155,323
Noble Mineral Exploration	10,000,000	392,894	207,106	-	600,000
Magna Terra Minerals Inc.	2,761,312	173,611	(63,159)	-	110,452
Cerro Grande Mining Corp.	26,150	20,593	(20,462)	-	131
		2,412,228	5,078,678	475,000	7,965,906

5. Prepaid expenses

The prepaid expenses and security deposits for the Company are as follows:

	31-Jul-24	30-Apr-24
	\$	\$
Prepaid expenses	48,062	48,225
Prepaid expenses - RFN	2,512	3,899
	50,574	52,124

HOMELAND NICKEL INC. (FORMERLY SPRUCE RIDGE RESOURCES LTD.)
Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
As at July 31, 2024 and 2023

6. Exploration and evaluation assets

	Nora Lake	Great Burnt Copper/Gold	Foggy Pond	8 Dollar	Red Flat / Cleopatra	Shamrock Property	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, April 30, 2023	7,500	423,642	211,505	-	-	-	642,647
Additions	-	9,050	-	-	-	-	9,050
Disposal	-	-	-	-	-	-	-
Balance, July 31, 2023	7,500	432,692	211,505	-	-	-	651,697
Additions	-	(1,850)	(211,505)	58,553	5,353,525	350,697	5,549,420
Currency translation adjustment	-	-	-	-	71,497	(523)	70,974
Disposal	-	(302,884)	-	-	-	-	(302,884)
Balance, April 30, 2024	7,500	127,958	-	58,553	5,425,022	350,174	5,969,207
Additions	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	25,153	1,605	26,758
Disposal	-	-	-	-	-	-	-
Balance, July 31, 2024	7,500	127,958	-	58,553	5,450,175	351,779	5,995,965

(a) Crooked Green Property, Pifher Township, Ontario

1% net smelter - The Company sold its interest in mining claim units in Pifher Township in 1999 but retained a royalty equal to 1% of the net smelter returns should the property commence commercial production. As at April 30, 2023, commercial production had not commenced and the carrying value is \$nil.

(b) Nora Lake Property, Ontario

On May 18, 2005, the Company acquired an option to purchase an eighty nine percent (89%) interest in the Nora Lake area, Ontario.

(c) Great Burnt Copper/Gold Property, Central Newfoundland

April 30, 2023, the Company owns a 100%-undivided interest in the Great Burnt Copper/Gold Property in Central Newfoundland.

During the year ended April 30, 2024, the Company entered into an agreement where Benton Resources Inc. ("Benton") could earn a 70% undivided interest in the property. In consideration, the Company received \$40,000 cash and 15,000,000 common shares of Benton Resources Inc. initially valued at \$675,000. In addition, Benton was required to complete \$1,000,000 of expenditures on or before the first anniversary and an additional \$1,500,000 by the third-year anniversary. Upon satisfaction of the conditions, the Company has an option to enter into a joint venture agreement and participate as a 30%

6. Exploration and evaluation assets (continued)

(c) Great Burnt Copper/Gold Property, Central Newfoundland (continued)

joint venture partner with Benton. Subsequent to year-end, the Company was notified that the expenditures have been completed.

(d) Foggy Pond Property

On September 14, 2021 the Company acquired 767 claims covering 19,175 hectares of land which are contiguous to the Company's Great Burnt Copper-Gold Property.

During the year ended April 30, 2022, the Company issued 2,000,000 shares valued at \$200,000 to the vendor for an interest in the property.

During the year ended April 30, 2024 the Company allowed the claims to lapse and abandoned the property resulting in an impairment of \$211,505 and a write-down of the associated security deposit of \$38,350.

(e) 8 Dollar Property

During the year ended April 30, 2024 the Company staked 115 mining claims totalling 962 ha (2,376 ac) covering most of the west side of Eight Dollar Mountain in the State of Oregon for a cost of \$58,553.

Eight Dollar Mountain is composed mainly of peridotite, a nickel-bearing mineral consisting mainly of olivine and containing iron (Fe), magnesium (Mg) and silicate (SiO₂). The upper tens of feet have been altered to nickel-bearing laterite where the silicate minerals have broken down over time leaving mainly clay-rich minerals containing nickel and lesser cobalt.

(f) Red Flat and Cleopatra Properties

During the year ended April 30, 2024, the Company acquired all of the issued and outstanding shares of RFNH, which is the holder of an 80% interest in HLNC.

Subsequent to the year ended April 30, 2024, the Company reached agreements with the minority shareholders of HLNC to acquire their shares in exchange for shares in Homeland Nickel Inc. The Company now owns 98.8% of HLNC, which owns the Cleopatra and Red Flat nickel laterite deposits in southwest Oregon, both of which host historical resources as well as an interest in some secondary nickel laterite deposits in the vicinity.

The Company acquired a 100% interest in RFNH from RAB Capital Holdings Ltd. ("RAB Capital") for the following consideration:

- an initial \$50,000 cash payment;
- 2,000,000 common shares in the capital of Canada Nickel Company Inc. valued at \$2,940,000;
- \$450,000, which was settled by issuing 9,000,000 units being issued which includes 9,000,000 common shares and 4,500,000 warrants;

6. Exploration and evaluation assets (continued)

(f) Red Flat and Cleopatra Properties (continued)

- issuing 10,000,000 common shares being subject to a four month and one day statutory hold period;
- granting to RAB Capital a 2.0% net smelter returns on the properties and the deposits, with an option to repurchase 50% of each net smelter return for \$2,000,000;
- reimbursing RAB Capital a total of US\$60,457 for costs associated with the transaction
- assuming a pre-existing intercorporate loan between RAB Capital and HLNC, which is now owed to the Company;
- agreeing to pay funds to RAB Capital upon reaching certain milestones, as follows:
 - \$1,000,000 cash payment upon filing a technical report on one or both of the Properties where a nickel resource is re-evaluated (or restated) to a standard in accordance with the requirements of National Instrument 43-101 - Standards of Disclosure for Mineral Properties (“NI 43-101”);
 - \$2,000,000 cash payment upon completion of a NI 43-101 preliminary economic assessment on one or both of the properties;
 - \$2,000,000 cash payment upon completion of a NI 43-101 feasibility study on one or both of the properties; and
 - \$10,000,000 cash payment upon announcement of a decision to commence construction on one or both of the properties.

(g) Shamrock Property

On April 18, 2024 Spruce Oregon Holdings, LLC, a wholly owned subsidiary of Homeland, acquired 40 unpatented mining claims covering approximately 758 acres located in Oregon, USA.

7. Non-controlling Interest

The Company owns 98.8% of HLNC which owns the Red Flat and Cleopatra Properties that are included in the USA operating segment. Summary financial information for HLNC is as follows:

Summarized statement of financial position		
	31-Jul-24	30-Apr-24
	\$	\$
Assets		
Exploration and evaluation assets	5,450,175	5,425,020
Accounts payable and accrued liabilities		
	7,913	1,925
Shareholders' equity		
Attributable to the common shareholders	5,369,389	4,338,476
Non-controlling interest	72,873	1,084,619
	5,450,175	5,425,020

Summarized statement of loss		
	31-Jul-24	30-Apr-24
Expenses, being net loss	71,405	1,925
Net loss attributable to:		
Common shareholders	70,548	1,540
Non controlling interest	857	385

8. Exploration expenses

A summary of exploration expenditures incurred for the period ended July 31, 2024 is as follows:

	Great Burnt \$	Cleopatra / Red Flat \$	Totals \$
Field Expenses	-	73,995	73,995
Lease	19,800	-	-
Miscellaneous	880	-	-
	20,680	73,995	94,675

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As at July 31, 2024 and 2023

9. Security deposits

The Company has \$70,176 (2023 - \$158,526) of security deposits are on hand with provincial governments in connection with various mineral rights claims.

During the year ended April 30, 2024 the company allowed the Foggy Pond claims to lapse. As a result, an impairment of \$38,350 was recorded.

10. Property and equipment

Cost	Land \$	Buildings \$	Equipment \$	Office			Total \$
				Equipment \$	Trucks \$	Website \$	
Balance, April 30, 2023	40,000	159,000	241,756	9,200	78,413	-	528,369
Additions	-	-	23,000	-	-	-	23,000
Balance, July 31, 2023	40,000	159,000	264,756	9,200	78,413	-	551,369
Additions	-	-	-	-	-	9,408	9,408
Disposals	(5,000)	(37,500)	(241,756)	-	-	-	(284,256)
Balance, April 30, 2024	35,000	121,500	241,756	9,200	78,413	9,408	276,521
Additions	-	-	-	-	-	3,094	3,094
Disposals	(35,000)	(121,500)	-	-	-	-	(156,500)
Balance, July 31, 2024	-	-	23,000	9,200	78,413	12,502	123,115

Accumulated Amortization	Land \$	Buildings \$	Equipment \$	Office			Total \$
				Equipment \$	Trucks \$	Website \$	
Balance, April 30, 2023	-	131,854	220,296	8,909	17,682	-	378,741
Amortization	-	679	1,548	15	4,554	-	-
Balance, July 31, 2023	-	132,533	221,844	8,924	22,236	-	385,537
Amortization	-	2,009	1,725	43	13,665	941	18,383
Disposals	-	(31,099)	(221,269)	-	-	-	(252,368)
Balance, April 30, 2024	-	103,443	2,300	8,967	35,901	941	151,552
Amortization	-	-	1,035	12	3,188	578	4,813
Disposals	-	(103,443)	-	-	-	-	(103,443)
Balance, July 31, 2024	-	-	3,335	8,979	39,089	1,519	52,922

Net Book Value

Balance, April 30, 2023	40,000	27,144	21,460	291	60,730	-	149,625
Balance, July 31, 2023	40,000	26,467	42,912	276	56,177	-	165,832
Balance, April 30, 2024	35,000	18,057	20,700	234	42,512	8,467	124,969
Balance, July 31, 2024	-	-	19,665	222	39,324	10,983	70,193

11. Accounts payable and accrued liabilities

Payables and accrued liabilities for the Company are as follows:

	31-July-24	30-Apr-24
	\$	\$
Trade payables	61,748	64,787
Trade payables – RFNH	613	17,597
Accrued liabilities	75,000	151,236
Accrued liabilities – RFNH	7,300	8,279
Total	144,661	241,899

12. CEBA loan

The Company received a \$60,000 interest free loan due December 31, 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. For qualifying entities, the loan is unsecured and non-interest bearing up until December 31, 2023 and will then bear interest of 5% up to December 31, 2025 at which point the balance is due in full. The loan was repaid in full December 2023.

13. Shareholders' Equity

(a) Share capital

There is an unlimited number of common shares without par value. As at July 31, 2024 217,707,202 (April 30, 2024 – 217,707,202) common shares have been issued.

At July 31, 2024 the Company had entered into agreements to issue 3,974,000 shares with a value of \$158,960 for 18.8% of the non-controlling interest. As of July 31, 2024, the shares had not been issued and will be issued subsequent to the period end.

(b) Warrants

During the year ended April 30, 2024, 15,000,000 warrants were issued in connection with a private placement that expire on December 21, 2025. The warrants entitle the holders thereof the right to purchase one common share and one common share purchase warrant for each unit.

13. Shareholders' Equity (continued)

(b) Warrants (continued)

Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, as at April 30, 2023	263,000	0.14
	-	
Balance, as at July 31, 2023	263,000	0.14
Warrants granted	15,000,000	0.10
Warrants expired	(263,000)	0.14
Balance, as at April 30, 2024	15,000,000	0.14
	-	
Balance, as at July 31, 2024	15,000,000	0.14

Number of Warrants	Fair value at grant date	Exercise Price \$	Expiry Date
15,000,000	\$300,000	0.10	21-Dec-25

(c) Stock Options

A summary of the status of outstanding stock options as of July 31, 2024 is presented below.

	Stock Options	Weighted Average Exercise Price
Balance, as at April 30, 2022	1,350,000	\$0.05
	-	
Balance, as at April 30, 2023	450,000	0.05
Options expired	(450,000)	0.05
Balance, as at July 31, 2023	-	-
Options granted	9,250,000	0.08
Balance, April 30, 2024	9,250,000	0.08
Options expired	(450,000)	0.05
Balance, as at July 31, 2024	9,250,000	0.08

13. Shareholders' Equity (continued)

(d) Restricted Share Units

During the year ended April 30, 2024, the Company granted 2,600,000 restricted share units ("RSU"). The RSU's vest on December 13, 2024 and will be settled with equity instruments. Share based compensation expense of \$57,889 was recorded during the three months ended July 31, 2024.

14. Related Party Transactions

No director fees have been paid to directors.

During the three months ended July 31, 2024, \$45,000 (2023 - \$36,000) was paid or accrued to a company controlled by the Chief Executive Officer for management services with \$35,998 remaining in accounts payable at July 31, 2024 (2023 - \$Nil).

During the three months ended July 31, 2024, \$9,000 (2023 - \$6,000) was paid or accrued to a company controlled by the Chief Financial Officer for management and accounting services.

During the three months ended July 31, 2024, \$7,500 (2023 - \$Nil) was paid or accrued to an individual for Corporate Secretary services with \$2,825 remaining in accounts payable at July 31, 2024 (2023 - \$Nil).

15. Segmented Information

	Canada	USA	Total
	\$	\$	\$
Total assets	6,747,634	5,863,019	12,610,653
Total liabilities	136,749	7,912	144,661

16. Contingencies

In the normal course of operations, the Company may become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits and accrue management's best estimate of the estimated costs to satisfy such claims. No amounts have been recorded as the outcome of the current legal claims is determined to be unknown.

17. Capital and financial risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of shareholders' equity comprised of issued share capital and warrants.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through

17. Capital and financial risk management (continued)

new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2024.

Fair Value

The carrying values for primary financial instruments, including cash, accounts receivable, miscellaneous receivable, security deposits, accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash held with Canadian financial institutions.

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a 'fair value hierarchy' which has the following levels:

- i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- ii) Level 2: valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- iii) Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's marketable securities are considered Level 1.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

17. Capital and financial risk management (continued)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in United States dollars and from the activities undertaken by the foreign subsidiaries.

The Company has no United States dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

The Canadian dollar equivalent of monetary assets and liabilities held by the Company that are denominated in United States dollars are as follows:

	31-Jul-24	30-Apr-24
	\$	\$
Cash	971	1,188
Accounts payable and accrued liabilities	8,001	132,924

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.