FANCAMP EXPLORATION LTD.

Annual Consolidated Financial Statements

For the years ended April 30, 2024 and 2023

(Audited - Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fancamp Exploration Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Fancamp Exploration Ltd. (the "Company"), which comprise the consolidated statement of financial position as at April 30, 2024, and the consolidated statements of operations and comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024, and its financial performance and its cash flows for the year 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The consolidated financial statements of Fancamp Exploration Ltd. for the year ended April 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on October 24, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. 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 matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $6,171,872 as of April 30, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing the Company's rights to explore E&E Assets.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Valuation of Convertible Promissory Note

As described in Note 7 to the consolidated financial statements, the carrying amount of the Company's convertible promissory note was $19,770,000 as of April 30, 2024. As more fully described in Note 3 to the consolidated financial statements, convertible promissory notes are initially recognized at fair value and are measured at fair value at each reporting period with changes in fair value recognized in the consolidated statements of operations and comprehensive income. The fair value of the convertible promissory note is not quoted in an active market and is determined using valuation techniques that require management to make assumptions. There are significant unobservable inputs used in estimating the value of the convertible promissory note and significant judgments are made.

The principal considerations for our determination that the fair value of the convertible promissory note is a key audit matter is due to the estimation uncertainty underlying the valuations and the significant value of the convertible promissory note as at April 30, 2024. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the fair value of the convertible promissory note.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating the competency, capabilities and objectivity of the third-party valuator used by management.
- Reviewing the valuations reports and substantively testing a sample of the assumptions within to independent sources of information.
- Utilizing our internal valuations department to conclude on the appropriateness of the methodology used in the valuations reports.
- Utilizing our internal valuations department to test the accuracy of the calculations in applying the methodology used in the valuations reports.
- Checking and evaluating the financial statement disclosures in relation to the fair value of debt investments.

Accounting for Deferred Tax Liabilities

As described in Note 12 to the consolidated financial statements, the carrying amount of the Company's deferred tax liability is $Nil.

The principal considerations for our determination that performing procedures relating to the assessment of deferred tax liabilities is a key audit matter are that there was judgment by management when assessing: (i) domestic tax provisions; and (ii) ability to recognize available deferred tax assets. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of these elements.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating the appropriateness and accuracy of the gross deferred tax liabilities by assessing significant changes by nature of the tax item.
- Utilizing personnel with specialized knowledge and skill in domestic tax to assist in analyzing management's assessment of domestic tax laws and the application to the Company's tax provision.
- Assessing the adequacy of the associated disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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 year ended and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

August 28, 2024

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	April 30 2024	April 30 2023
Assets		
Current Assets		
Cash	$ 564,117	$ 2,367,943
Short Term Investments	3,449,707	1,031,845
Marketable Securities and Warrants (Note 5)	20,249,984	20,950,180
Prepaid for Investment Shares	-	195,000
Accrued Interest Receivable	345,945	-
Other Receivable Net of Allowance for Doubtful Accounts (Note 6)	-	831
Sales Taxes Refundable	30,351	42,650
Investment Tax Credits Receivable	454,621	236,642
Accrued Mining Duty Receivable	49,009	48,406
Prepaid Expenses	80,856	66,924
	25,224,590	24,940,421
Non-Current Assets		
Equipment	8,301	7,679
Convertible Promissory Note (Note 7)	19,770,000	19,060,000
Investments in Associates (Note 8)	4,107,281	3,069,431
Exploration and Evaluation Assets (Note 9)	6,171,872	6,611,548
Total Assets	$ 55,282,044	$ 53,689,079
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 263,601	$ 242,546
Due to Related Parties (Note 11)	141,425	18,401
Income Tax Payable (Note 12)	6,057,096	6,665,113
	6,462,122	6,926,060
Non-Current Liabilities		
Deferred Tax Liabilities (Note 12)	-	3,667,164
Deferred Quebec Mining Duties	455,179	406,099
Total Liabilities	6,917,301	10,999,323
Equity		
Share Capital (Note 10)	46,042,437	41,600,664
Contributed Surplus	14,525,209	14,525,209
Deficit	(12,202,903)	(13,436,117)
Total Equity	48,364,743	42,689,756
Total Liabilities and Equity	$ 55,282,044	$ 53,689,079

Contingencies (Note 15)

Subsequent events (Note 17)

On behalf of the Board, approved on August 28, 2024:

"Rajesh Sharma"	**"Mark Billings"**
CEO	Director

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Expressed in Canadian Dollars, except share amounts

	Year Ended April 30, 2024	Year Ended April 30, 2023
Expenses		
Accounting and Audit	$ 355,425	$ 242,900
Amortization and Depreciation	3,498	2,245
Directors Fees (Note 11)	120,000	120,000
Field Administration	203,156	221,761
Insurance	30,280	28,375
Interest Expenses and Bank Charges	19,910	1,473
Investor Relations	57,500	65,500
Legal Fees	538,833	741,018
Licences and Permits	1,076	-
Management and Consulting	674,955	334,075
Marketing and Promotion	4,780	18,706
Mineral Property Sundry Expenses	342	7,682
New project Examinations	7,560	-
Office Rent, Supplies and Services	41,636	62,056
Patent Expense	11,493	24,586
Share Transfer, Listing and Filing Fees	41,621	21,846
Share-based Payments (Note 10)	-	24,467
Technical Fees and Process Development	28,620	80,000
Trade Show s and Presentations	2,387	10,876
Travel and Accomodations	86,832	58,444
Payroll Expenses	13,746	9,071
Total Expenses	2,243,650	2,075,081
Loss from Operations	(2,243,650)	(2,075,081)
Interest Income	2,552,230	1,100,988
Dividends Received on Marketable Securities (Note 5)	540,000	620,000
Gain from Sale of Mineral Property and Royalty Interests (Note 9)	-	10,971,062
Impairment of Exploration and Evaluation Assets (Note 9)	(1,187,164)	(359,842)
Gain on Deconsolidation of a Subsidiary (Note 16)	-	429,696
Unrealized Gain on Convertible Promissory Note (Note 7)	710,000	2,810,000
Loss on Equity Pick-up of Investments In Associates (Note 8)	(918,967)	(283,308)
Dilution Gain on Investment in Associates (Note 8)	885,467	-
Realized (Loss) Gain on Marketable Securities (Note 5)	(1,000)	313,740
Unrealized (Loss) Gain on Marketable Securities (Note 5)	(2,770,867)	(1,091,693)
Income (Loss) before Taxes	**(2,433,950)**	**12,435,562**
Current Tax Expense	-	(6,665,113)
Deferred Tax Recovery (Expense)	3,667,164	(400,680)
Income and Comprehensive Income for the Year	**$ 1,233,214**	**$ 5,369,769**
Income Per Share - Basic and Diliuted	$ 0.01	$ 0.03
Weighted Average Number of Shares Outstanding - Basic	199,574,101	176,518,296
Weighted Average Number of Shares Outstanding - Fully Diluted	199,574,101	176,518,296

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Express in Canadian Dollars, except share amounts

	Number of Shares	Capital Stock	Contributed Surplus	Income (Deficit)	Total	Non-controlling Interest	Total equity
		$	$	$	$	$	$
Balance, April 30, 2022	176,518,296	41,600,664	14,500,742	(18,805,886)	37,295,520	(93,270)	37,202,250
Share-based Payments	-	-	24,467	-	24,467	-	24,467
Income for the Year	-	-	-	5,369,769	5,369,769	93,270	5,463,039
Balance, April 30, 2023	176,518,296	41,600,664	14,525,209	(13,436,117)	42,689,756	-	42,689,756
Balance, April 30, 2023	176,518,296	41,600,664	14,525,209	(13,436,117)	42,689,756	-	42,689,756
Shares Issued for Cash	64,415,455	4,579,082	-		4,579,082	-	4,579,082
Share Issue Costs	-	(137,309)	-		(137,309)	-	(137,309)
Income for the Year	-	-	-	1,233,214	1,233,214	-	1,233,214
Balance, April 30, 2024	240,933,751	46,042,437	14,525,209	(12,202,903)	48,364,743	-	48,364,743

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canada Dollars

	Year Ended April 30, 2024	Year Ended April 30, 2023
Operating Activities		
Income for the Year	$ 1,233,214	$ 5,369,769
Items Not Affecting Cash in the Year		
Amortization and Depreciation	3,498	2,245
Interest Income	(2,421,615)	(1,052,666)
Current Tax Expense	-	6,665,113
Deferred Tax (Recovery) Expense	(3,667,164)	400,680
Gain from Sale of Mineral Property and Royalty Interests	-	(10,971,062)
Loss on Equity Pick-up of Investment in Associates	918,967	283,308
Dilution Gain on Investment in Associates	(885,467)	
Share-based Payments	-	24,467
Gain on Deconsolidation of a Subsidiary	-	(429,696)
Impairment of Exploration and Evaluation Assets	1,187,164	359,842
Unrealized Gain on Convertible Promissory Note	(710,000)	(2,810,000)
Realized Loss (Gain)from Disposal of Marketable Securities	1,000	(313,740)
Unrealized Loss on Marketable Securities	2,770,866	1,091,693
	(1,569,537)	(1,380,047)
Changes in Non-Cash Working Capital Items		
Sales Tax Refundable	12,299	94,110
ITC's, Mining Duties Receivable	(169,502)	(252,641)
Accounts Receivable	831	(781)
Prepaid Expenses	(13,932)	14,896
Income Tax Payable	(608,017)	-
Accounts Payable and Accrued Liabilities	21,055	(58,052)
Due to Related Parties	123,024	3,919
	(2,203,780)	(1,578,596)
Investing Activities		
Sale of Marketable Securities	4,000	2,894,360
Purchase of Marketable Securities	-	(1,034,790)
Sale (Purchase) of Short Term Investment	(2,417,862)	(1,000,000)
Purchase of Promissory Convertible Note and Warrants	-	(1,500,000)
Equipment	(4,120)	(6,300)
Investment in Associates	(876,350)	(325,000)
Sale of Mineral Property and Royalty Interests	50,000	50,000
Exploration and Evaluation Assets	(797,488)	(594,570)
Total Investing Activities	(4,041,820)	(1,516,300)
Financing Activities		
Shares issued for Cash, net of Share Issuance Costs	4,441,773	-
Total Financing Activities	4,441,773	-
Decrease in Cash	(1,803,827)	(3,094,896)
Cash, Beginning of the Year	2,367,943	5,462,839
Cash, End of the Year	$ 564,116	$ 2,367,943
Supplementary Disclosure of Non-Cash Financing and Investing Activities		
Shares Issued for Finders Fees	$ 17,500	-
Marketable Securities Received as Interest on Promissory Note	$ 2,075,670	-
Prepaid Investment Reclassified to Investments in Associate	$ 195,000	-

(The accompanying notes are an intregal part of these consolidated financial statements)

Note 1 – Nature and Continuance of Operations

Fancamp Exploration Ltd. (the "Corporation" or "Fancamp") was incorporated under the laws of the Province of British Columbia. The Corporation owns interests in mineral properties in the Provinces of Ontario, Quebec and New Brunswick, Canada. Fancamp is an exploration stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The address of its head office is 7290 Gray Avenue, Burnaby, BC, V5J 3Z2 and registered office is 19th Floor, 885 West Georgia Street, Vancouver, B.C. V6C 3H4. The Corporation's financial year end is April 30. The Corporation's consolidated financial statements for the years ended April 30, 2024, and 2023 were approved by the Board of Directors on August 28, 2024.

Note 2 – Basis of Presentation

Statement of Compliance

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 are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

The consolidated financial statements included the accounts of the Corporation and its federally incorporated, 96% owned subsidiary, The Magpie Mines Inc. (the "Subsidiary" or "Magpie") up to March 31, 2023, the date of loss of control (see Note 16) and 100% owned subsidiary, FNC Technologies Inc. The functional currency of these two subsidiaries is Canadian $'s and all significant intercompany balances and transactions were eliminated on consolidation.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Corporation's consolidated financial statements for the years ended April 30, 2024 and 2023.

Going Concern

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management believes that there is adequate working capital available to meet the Corporation's obligations and planned expenditures for the coming year.

Note 3 – Material Accounting Policy Information

Critical Accounting Judgement and Significant Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the consolidated financial statements and the reported amount of expenses and income during the period. The estimates and associated

Note 3 – Material Accounting Policy Information - Continued

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Critical Accounting Judgements

(i) Exploration and Evaluation Expenditures

The application of the Corporation's accounting policy for exploration and evaluation expenditures capitalized requires judgement in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Corporation considers the degree to which the expenditure can be associated with finding specific mineral resources that are economically recoverable.

(ii) Contingencies and Provisions

The Corporation recognizes a provision for potential loss only when there is a present obligation arising from a past event that is probable to result in an economic outflow that can be reliably estimated. Where a reliable estimate cannot be made for such an obligation, no provision is recognized and the obligation is deemed a contingent liability. Contingent liabilities also include possible obligations for which the possibility of future economic outflow is more than remote but less than probable. Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded, and it is only disclosed as a contingent liability. Judgement is applied in assessing the likelihood of the economic outflow.

(iii) Control and/or Significant Influence over Investees

The Corporation has assessed that they have lost control due to the lack of ability to exercise its control, and thus Magpie should be deconsolidated. The Corporation has also assessed the level of influence that the Corporation has on its investees, South Timmins Mining Inc., EDM Resources Inc. and NeoTerrex Corporation, for which the Corporation owns 25%, 11% and 15% of the shareholdings, respectively, as at April 30, 2024 and concluded that the Corporation has significant influence over these investments since the Corporation has the power to participate in financial and operating policy decisions. The Corporation also has to exercise judgement on determining if they have control over their subsidiaries.

Critical Accounting Estimates

(i) Impairment of Long-lived Assets

The Corporation reviews and assesses the carrying amount of exploration and evaluation assets for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to the consolidated statement of operations and comprehensive income (loss).

Note 3 – Material Accounting Policy Information – Continued

(ii) Current and Deferred Taxes

The determination of income tax expense and the composition of deferred tax and mining tax assets and liabilities involves judgement and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Corporation is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgements and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations.

(iii) Share-based Payments

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Corporation's stock options.

(iv) Fair Value of Consideration Warrants

The Corporation uses the Partial Differential Equations model in measuring the fair value of consideration warrants. In applying the valuation technique, the Corporation makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. The volatility used to determine the fair value of the consideration warrants requires professional judgement due to the lack of trade volume of the associated security.

(v) Fair Value of Convertible Promissory Note

The fair value of convertible promissory note that are not quoted in an active market is determined using valuation technique, that require management to make assumptions that are based on market conditions existing as at the measurement dates. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments. A third-party valuation software that is broadly used and industry-accepted is applied to calculate the fair value of the convertible promissory note. Equity component and bond component are determined with different credit risk, where the equity component and bond component are discounted using the applicable risk-free rate and credit adjusted discount rate, respectively.

(vi) Expected Credit Loss on Financial Asset

The Corporation recognizes an allowance for expected credit loss on accounts receivable that are measured at amortized cost. The amount of expected credit loss ("ECL") is updated at each reporting date to reflect changes in credit risk since the initial recognition of the trade and other receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Note 3 – Material Accounting Policy Information – Continued

Financial Instruments

<u>Financial assets</u>

The Corporation classifies its financial assets in the following categories:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortized cost

The determination of the classification of financial assets is made at initial recognition. Marketable securities that are held for trading are classified as FVTPL: for other marketable securities and investments, on the day of acquisition the Corporation can make an irrevocable election to classify them as FVTOCI. No such election has been made in the past.

The Corporation's accounting policy for each of the categories is as follows:

<u>Financial assets at FVTPL</u>

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive income when incurred. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the consolidated statements of operations and comprehensive income.

<u>Financial assets at FVTOCI</u>

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

<u>Financial assets at amortized cost</u>

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value plus transaction cost and subsequently carried at amortized cost less any impairment.

<u>Impairment of financial assets at amortized cost</u>

The Corporation recognizes an allowance for expected credit losses on financial assets that are measured at amortized cost.

Note 3 – Material Accounting Policy Information – Continued

Financial assets - classification

The following table shows the classification of the Corporation's financial assets:

Financial asset	Classification
Cash	Amortized cost
Short Term Investment	Amortized cost
Receivables	Amortized cost
Marketable Securities and Warrants	FVTPL
Convertible Promissory Note	FVTPL

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred.

The Corporation's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive income.

Transaction costs in respect of financial liabilities at FVTPL are recognized in the consolidated statements of operations and comprehensive income immediately.

Financial liabilities at amortized cost

At initial recognition, the Corporation measures financial liabilities at their fair value minus transaction costs that are directly attributable to their issuance. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period.

The following table shows the classification of the Corporation's financial liabilities:

Financial liabilities	Classification
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Note 3 – Material Accounting Policy Information – Continued

Cash and Equivalents

Cash and equivalents consist of cash at banks and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. As part of its on-going cash management, the Corporation purchases highly liquid money market instruments with surplus cash.

Short-Term Investments

Short-term investments consist of a simple interest guaranteed income certificate held with a Canadian bank with term longer than 3 months. The carrying amounts of investments approximates fair market value due to the short-term maturity of these instruments.

Marketable Securities and Warrants

Marketable securities consist of common shares and warrants of publicly-traded companies listed on the TSX Venture Exchange as well as common shares of a private company. Marketable securities are

classified as FVTPL and are recorded at their fair values using quoted market prices or using appropriate valuation techniques to estimate the fair value where market price is not readily available at the consolidated statement of financial position date. Subsequent revaluation resulting in unrealized gains or losses is recorded in the consolidated statements of operations and comprehensive income.

Convertible Promissory Note

Convertible promissory note is recognized initially at fair value. Subsequent to initial recognition, convertible promissory note is measured at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive income.

Investment in Associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity, but can also arise where the Corporation holds less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity.

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Corporation's share of net assets of the associates, less any impairment losses. Losses in an associate in excess of the Corporation's interest in that associate are recognized only to the extent that the Corporation has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Corporation and an associate are eliminated to the extent of the Corporation's interest therein.

Note 3 – Material Accounting Policy Information – Continued

At the end of each reporting period, the Corporation assesses whether there is any evidence that an investment in associate is impaired. This assessment is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved, and an assessment of the likely results to be achieved from performance of further exploration by the associate. When there is evidence that an investment in associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined has an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net earnings in the period the reversal occurs.

Exploration and Evaluation Assets

Costs directly related to the acquisition and evaluation of mineral properties are capitalized once the legal rights to explore the properties have been obtained. When it is determined that such costs will be recouped through successful development and exploitation, expenditures are transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are

amortized on a unit-of-production method based on the estimated life of the ore-reserves, while costs for the prospects abandoned are written off.

Impairment reviews for capitalized exploration and evaluation costs are carried out on a project-by-project basis, with each project representing a single cash generating unit. An impairment review is undertaken at the end of each reporting period or when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices that render the project uneconomic;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Corporation may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Corporation's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Note 3 – Material Accounting Policy Information – Continued

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 conveyancing history characteristic of many resource properties. The Corporation has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

Decommissioning Obligations

Decommissioning liabilities arise from the legal obligation to abandon and reclaim property, plant and equipment incurred upon the acquisition, construction, development and use of the asset. The initial liability is measured at the discounted value of the estimated costs to reclaim and abandon using a risk-free rate, subsequently adjusted for the accretion of discount and changes in expected costs. The decommissioning cost is capitalized in the relevant asset category. Costs capitalized to property, plant and equipment are depreciated into earnings based upon the unit-of-production method consistent with the underlying assets. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent the provision was established. The Corporation had no asset retirement obligations recognized as of April 30, 2024 and 2023.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Deferred Quebec Mining Duties

The Corporation qualifies under the Mining Duties Act (Quebec) for a refundable credit on qualifying exploration and evaluation expenditures incurred in Quebec. Qualifying expenditures claimed for the purposes of receiving payment of this refund on a current basis will not be deductible in the calculation of duties from mineral production in future years. Accordingly, the full amount of such assistance has been recorded as deferred Quebec mining duties. On commencement of earnings from mineral production, the Corporation intends to amortize this amount as a reduction of mining duties then payable over the estimated productive life of its properties.

Exploration Tax Credits

The Corporation accounts for accrued tax credits on eligible exploration expenditures as a deduction from its mineral property interests, on a property by property basis, and will be charged to operations on the same basis as the deferred acquisition and exploration and evaluation expenditures. The exploration tax credits are accrued in the year when the exploration and evaluation expenditures are incurred, provided there is reasonable assurance that the Corporation has complied with, and will continue to comply with, all conditions needed to obtain the credits.

Note 3 – Material Accounting Policy Information – Continued

Share-based Payments

The Corporation accounts for share-based payments over the vesting period of the share options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on a fair value basis using the Black-Scholes option pricing model.

For transactions with parties other than employees, the Corporation measures the goods or services received and the corresponding increase in equity, directly, at the fair value of the goods and services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their fair value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Deferred Share Units (“DSU”), Restricted Share Unites (“RSU”) and Performance Share Units (“PSU”)

Deferred share units, Restricted share units and Performance share units are payable in cash or in equity instruments at the option of the Corporation. As the Corporation’s intention is to pay in equity, the share units are classified as equity-settled based on their fair value at grant date. The compensation cost is recorded as an expense over the vesting period or using management’s best estimate when contractual provisions restrict vesting until completion of certain performance conditions, with a corresponding increase in equity.

DSUs, RSUs and PSUs mandatorily redeemed in cash are liability-classified and are subsequently adjusted at each financial position reporting date for changes in fair value.

Flow-through Shares

The Federal and Provincial tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Corporation finances a portion of its exploration programs with flow-through shares.

At the time of issuance of flow-through shares, the Corporation allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as a liability related to flow-through shares. The Corporation estimates the fair value of the liabilities related to flow-through shares using the residual method, deducting the quoted closing price of the common shares from the price of the flow-through shares at the date of the financing.

The liability related to flow-through shares recorded is revered on renouncement of the right to tax deductions to the investors or when the Corporation has the intention to renounce of tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Note 3 – Material Accounting Policy Information – Continued

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. 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 reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the income (loss) for the period by the weighted average number of shares outstanding in the year. Diluted income (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. Treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted earnings per share is equal to the basic earnings per share as the outstanding options and warrants are anti-dilutive.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Foreign Currency Transactions and Translation

The Corporation and its subsidiaries' functional currency is Canadian dollars. Transactions in other currencies are recorded in Canadian dollars at the rates of exchange prevailing when the transactions occur. Monetary assets and liabilities denominated in other currencies are translated into Canadian dollars at rates of exchange in effect at the statement of financial position dates. Exchange gains and losses are recorded in the consolidated statements of operations and comprehensive income.

Note 3 – Material Accounting Policy Information – Continued

Deconsolidation

When the Corporation loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity on the date it loses control. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and no significant influence exists.

Material accounting policy information used in the preparation of these consolidated financial statements are consistent with those of the previous financial year and have been consistently applied to all years presented.

Note 4 – Future Accounting Changes

Certain pronouncements were issued by the IASB that are mandatory for accounting periods commencing on or after May 1, 2024. All future accounting changes are either not applicable or do not have a significant impact to the Corporation and have been excluded.

Note 5 – Marketable Securities and Warrants

The Corporation holds shares and warrants in various public companies throughout the mining industry. During the year ended April 30, 2024, these shares and warrants were fair valued and this resulted in an unrealized loss of $2,770,866 (2023 – unrealized loss of $1,091,693). During the year ended April 30, 2024, the Corporation disposed of some marketable securities resulting in a loss of ($1,000) (2023 - gain of $313,740).

The shares in various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at April 30, 2024 and are therefore classified as level 1 within the fair value hierarchy.

The warrants in various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model with observable inputs and are therefore classified as level 2 within the fair value hierarchy. Consideration warrants received are valued as level 3 within the fair value hierarchy, also see Note 7.

The shares in the private company are classified as FVTPL and are recorded at fair value using market inputs, estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument as at April 30, 2024 and are therefore classified as level 3 within the fair value hierarchy.

Note 5 – Marketable Securities and Warrants – Continued

The following table summarizes information regarding the Corporation's marketable securities as at April 30, 2024 and 2023:

	2024	2023
Balance at beginning of period, May 1	20,950,180	22,808,265
Additions	2,075,670	3,975,610
Disposals	(4,000)	(2,894,360)
Reclassification		(2,161,382)
Realized gain/(loss)	(1,000)	313,740
Unrealized gain/(loss)	(2,770,866)	(1,091,693)
Balance at end of period, July 31	20,249,984	20,950,180

i) The Corporation held 1,000,000 common shares of Beauce Gold Fields Inc. at April 30, 2024 (2023 - 1,000,000). The common shares were valued at a per share quoted market price of $0.04 at April 30, 2024 (2023 - $0.05).

ii) The Corporation held 2,700,000 common shares of Champion Iron Limited at April 30, 2024 (2023 – 2,700,000 common shares). These common shares were valued at a per share quoted market price of $6.24 at April 30, 2024 (2023 - $5.83). During the year ended April 30, 2024, the Corporation received a total of $540,000 cash dividends from Champion Iron Limited.

iii) The Corporation held 1,250 common shares of Iconic Minerals Ltd. at April 30, 2024 (2023 – 1,250 common shares). The common shares were valued at a per share quoted market price of $0.02 at April 30, 2024 (2023 - $0.10).

iv) The Corporation held 4,280,000 common shares of KWG Resources Inc. at April 30, 2024 (2023 – 4,480,000 common shares), 1,447,323 multiple voting shares (2023 – 335,308) and 4,044,453 warrants (2023 - 4,044,453). Each multiple voting shares are convertible to 100 common share and has voting right attached. The share purchase warrants are exercisable at prices between $4.6916 and $4.2651 per multiple voting share until September 1, 2027. These common shares and multiple voting shares were valued at a per share quoted market price of $0.01 and $ 1.20 respectively at

April 30, 2024 (2023 – $0.025 and $2.50), while the share purchase warrants were valued at $210,000 as at April 30, 2024 (2023 - $2,240,000). The fair value of the share purchase warrants was estimated using the Partial Differential Equations model with weighted average assumptions for the grant as follows: stock price - $1.20, risk-free interest rate – 4.0%, expected life of warrants – 2.25 years, and annualized volatility – 45% (2023 - stock price - $2.83, risk-free interest rate – 3.1%, expected life of warrants – 3.25 years, and annualized volatility – 40%).

v) The Corporation held 20 common shares of RT Minerals Corp. at April 30, 2024 (2023 – 20 common shares). These common shares were valued at a per share quoted market price of $0.025 at April 30, 2024 (2023 - $0.14).

vi) The Corporation held 450,000 common shares of St-Georges Eco-Mining Corp. at April 30, 2024 (2023 – 450,000 common shares). These common shares were valued at a per share quoted market price of $0.065 at April 30, 2024 (2023 - $0.17).

Note 5 – Marketable Securities and Warrants - Continued

vii) The Corporation held 45,650 common shares of ZeU Technologies Inc. at April, 2024 (2023 – 45,650). These common shares were valued at a per share quoted market price of $0.015 at April 30, 2024 (2023 – $0.03).

viii) The Corporation held 25,869,741 common shares of PTX Metals Inc. at April 30, 2024 (2023 – 25,869,741) and 12,934,870 share purchase warrants (2023 – 12,934,870). The share purchase warrants are exercisable at $0.055 per share until March 14, 2028. These common shares were valued at a per share quoted market price of $0.035 at April 30, 2024 (2023 – $0.05), while the share purchase warrants were valued at $384,408 as at April 30, 2024 (2023 - $467,425). The fair value of the share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - $0.035, risk-free interest rate – 3.81%, expected life of warrants – 4 years, annualized volatility – 153.96% and dividend rate – 0% (2023 - stock price - $0.04, risk-free interest rate – 1.69%, expected life of warrants – 5 years, annualized volatility – 153.54% and dividend rate – 0%).

ix) The Corporation held 1,500,000 common shares of Vision Lithium Inc. at April 30, 2024 (2023 – 1,500,000). These common shares were valued at a per share quoted market price of $0.035 at April 30, 2024 (2023 - $0.09).

x) The Corporation held 510 common shares of Nevada Lithium Resources Inc. at April 30, 2024 (2023 - Nil). These common shares were valued at a per share quoted market price of $0.17 at April 30, 2024 (2023 - $Nil).

xi) The Corporation held 112,643,924 common shares of The Magpie Mines Inc., a private company. These common shares were valued at Nil as April 30, 2024 (2023 - $Nil). Also see Note 16.

Note 6 – Other Receivables

	April 30, 2024 $	April 30, 2023 $
Other Receivables	1,964,511	1,965,342
Allowance for Doubtful Accounts	(1,964,511)	(1,964,511)
	-	831

Other receivables include an unsecured, non-interest bearing, due on demand note in the amount of $1,964,511 owed to Fancamp by Magpie. Pursuant to the deconsolidation, a previously eliminated intercompany amount became due and payable by Magpie to the Company and it was simultaneously determined that the expected credit loss was 100% of the receivable balance from Magpie. The Corporation is continuing its legal recourse to collect the amount owed. (see Note 15 -Contingencies)

Note 7 – Convertible Promissory Note

On September 1, 2022, the Corporation completed a transaction to transfer its rights, title and interests in the Koper Lake-McFaulds property and a one-time payment of $1,500,000 to KWG Resources Inc. ("KWG") The consideration consisted of: the issuance by KWG of a Secured Convertible Promissory Note (the "Note") in the principal amount of $34,500,000; the issuance by KWG of warrants to purchase a total of 4,044,453 multiple voting shares; and the grant by KWG of a 2.0% net smelter return royalty (1/4 of which may be purchased by KWG at any time for $5,000,000 and the next 1/4 of which is subject to a right of refusal in favor of KWG) on any direct or indirect interest in the mining claims held by KWG on and after September 1, 2022.

The Note has a four-year term maturing on September 1, 2026, which maturity date may on certain conditions be extended by KWG on at least six months' notice for an additional period of up to one year. The $34,500,000 principal amount of the Note was convertible at $4.6916 per multiple voting share of KWG (each, a "MVS") into 7,353,568 MVS (increasing to 7,703,816 MVS at $4.4783 per MVS on September 1, 2023 and further increasing to 8,088,908 MVS at $4.2651 per MVS (the "Base Conversion Price") on September 1, 2024 (subject to further adjustment in certain circumstances)) and bearing interest in quarterly instalments at a rate of 6% per annum, payable at the option of KWG in cash or in MVS at the volume weighted average trading price for the five trading days prior to the interest payment date. KWG can prepay in cash during the term of the Note, provided that Fancamp has the right to convert the amount being prepaid at the Base Conversion Price and, for a period that is twelve (12) month prior to Maturity Date, KWG can prepay in MVS as opposed to cash, provided that: (i) MVS shall be issued to Fancamp at a price equal to the Base Conversion Price, and (ii) two times the base conversion price contractual trigger is met. KWG has the right to repay the principal amount in cash in whole or in part at any time on 30 days' notice (subject to the Corporation's right to convert into MVS at the Base Conversion Price during the notice period prior to payment in cash).

At the date of transaction, the fair value of the Warrants and Note were value using a Partial Differential Equations (level 3) with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	$3.00	$3.00
Number of shares outstanding	16,979,106	16,979,106
Volatility rate	30%	30%
Risk-free interest rate	3.30%	3.40%
Credit spread	NA	42.00%
Expected life	4 years	5 years

As at April 30, 2023, the fair value of the Warrants and Note were valued using a Partial Differential Equations with the following assumptions:

Note 7 – Convertible Promissory Note – Continued

	Warrants	Secured Convertible Promissory Note
Stock price	$2.83	$2.83
Number of shares outstanding	20,136,722	20,136,722
Volatility rate	40%	40%
Risk-free interest rate	3.10%	3.40%
Credit spread	NA	40.00%
Expected life	3 years and 4 months	4 years and 4 months

As at April 30, 2024, the fair value of the Warrants and Note were valued using a Partial Differential Equations with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	$1.20	$1.20
Number of shares outstanding	21,311,053	21,311,053
Volatility rate	45%	45%
Risk-free interest rate	4.00%	4.30%
Credit spread	NA	37.60%
Expected life	2 years and 4 months	3 years and 4 months

The fair value of the instrument as at April 30, 2023 and April 30, 2024 is as follow:

	Note	Warrant	Total
Fair value at initial recognition	$ 16,250,000	$ 1,920,000	$ 18,170,000
Change in fair value	2,810,000	320,000	3,130,000
Fair value at April 30, 2023	19,060,000	2,240,000	21,300,000
Change in fair value	710,000	(2,030,000)	(1,320,000)
Fair value as at April 30, 2024	$ 19,770,000	$ 210,000	$ 19,980,000

The Corporation received a total of 1,112,015 MVS during the year for interest payments from KWG (2023 – 335,308) and recorded an interest income of $2,075,670 ($2023 - $1,020,820).

Note 8 – Investment in Associates

Name	Location	Ownership 2024-04-30	Ownership 2023-04-30	Carrying Value 2024-04-30	Carrying Value 2023-04-30
				$	$
EDM Resource Inc.	Nova Scotia	10.75%	11.73%	1,588,925	1,174,117
NeoTerrex Minerals Inc.	Ontario	14.59%	15.00%	1,526,770	716,512
South Timmis Mining Inc.	Ontario	25.00%	25.00%	991,586	1,178,801
Total				4,107,281	3,069,430

The Corporation held 4,189,394 common shares of EDM Resources Inc. at the year ended April 30, 2024 (2023 - 2,348,485). As the Corporation has three common directors, these common shares have been

Note 8 – Investment in Associates – Continued

classified as an Investment in Associate for the year ended April 30, 2024. For the year ended April 30, 2024, Fancamp's share of loss in the results of EDM Resources Inc. was $217,185 (2023 - $94,065).

The Corporation held 11,799,000 common shares of NeoTerrex Corporation, a company with two common directors as at April 30, 2024 (2023 - 8,932,000). For the year ended April 30, 2024, Fancamp's share of loss in the results of NeoTerrex Corporation was $514,566 (2023 - $176,688).

On March 13, 2023, the Corporation completed a transaction to pay $130,000 and transfer its rights, title and interests in the Mallard/Heenan and Dorothy properties to South Timmins Mining Inc., in exchange for a 25% interest in South Timmins Mining Inc., with an option to increase its shareholding to 50% pursuant to a royalty agreement. Fancamp holds a 1% net smelter royalty ("NSR") in respect of the Mallard/Heenan and Dorothy properties, subject to a 50% decrease should Fancamp elect to increase its interests in South Timmins Mining Inc. to 50%. For the year ended April 30, 2024, Fancamp's share of loss in the results of South Timmins Mining Inc. was $187,215 (2023 - $12,555).

The following is a reconciliation of the investment in EDM Resources Inc. for the years ended April 30, 2024 and 2023:

	2024	2023
Balance at beginning of year, May 1	1,174,117	-
Reclassification	-	1,268,182
Cost of Investment	354,600	-
Share of net loss of Associate	(217,185)	(94,065)
Dilution gain (loss) from Associate	277,393	-
Balance at end of year, April 30	1,588,925	1,174,117

The following is a reconciliation of the investment in NeoTerrex Corporation for the years ended April 30, 2024 and 2023:

	2024	2023
Balance at beginning of year, May 1	716,512	-
Reclassification	-	893,200
Cost of Investment	716,750	-
Share of net loss of Associate	(514,566)	(176,688)
Dilution gain (loss) from Associate	608,074	-
Balance at end of year, April 30	1,526,770	716,512

Note 8 – Investment in Associates – Continued

The following is a reconciliation of the investment in South Timmins Mining Inc. for the years ended April 30, 2024 and 2023:

	2024	2023
Balance at beginning of year, May 1	1,178,802	-
Cost of Investment	-	1,191,357
Share of net loss of Associate	(187,216)	(12,555)
Dilution gain (loss) from Associate	-	-
Balance at end of year, April 30	991,586	1,178,802

The following is a summary of financial information for the Corporation's associates for the years presented based on the latest publicly available information.

As at April 30, 2024 and 2023	EDM Resource Inc.		NeoTerrex Minerals Inc.		South Timmins Mining Inc.	
	$ 2024	$ 2023	$ 2024	$ 2023	$ 2024	$ 2023
Statement of Financial Position						
Cash	753,730	289,000	5,564,676	3,227,000	-	130,000
Current Assets	1,003,320	600,000	5,942,153	3,632,000	-	1,888,000
Non-current Assets	24,876,950	23,086,094	-	-	4,549,915	1,061,000
Current Liabilities	443,407	875,911	545,730	30,000	906,129	-
Non-current Financial Liabilities	-	60,000	-	-	-	-
Non-current Liabilities	14,274,090	13,940,993	-	-	-	-
Statement of Comprehensive Loss						
Depreciation and Amortization	(1,392)	(9,000)	-	-	-	-
Interest Income	68,780	9,000	187,808	35,000	-	-
Loss from Continuous Operation	(2,303,174)	(2,117,000)	(3,308,385)	(822,000)	(781,567)	(50,000)
Total Comprehensive Loss	(2,303,174)	(2,117,000)	(3,308,385)	(822,000)	(781,567)	(50,000)

Note 9 – Exploration and Evaluation Assets

The Corporation's active mineral exploration properties' interests are detailed below and in Schedule I – Summary of Deferred Costs on Exploration and Evaluation Assets. Please see details of exploration cost balance for the years ended April 30, 2024 and 2023 and Schedule II - Exploration Expenditures on Exploration Assets.

(a) 100% owned claims in the Province of New Brunswick

The Corporation has a 100% ownership interest in claims in the Province of New Brunswick, known as the Riley Brook property. During the year ended April 30, 2024, a total of $50,967 was written on the expiry of other claims no longer of interest.

(b) 100% owned claims in the Province of Quebec

The Corporation has a 100% ownership interest in numerous claims in the Province of Quebec, including the Abitibi Corporation, Beauce Main BVB, Beauce Timrod, Clinton, DiLeo Lake, Grasset Laforest, Gaspe Bay Corporation, Grevet, Harvey Hill, Kinross, Lac Baude Baril, Magpie, Mingan, Risborough and Stoke properties. Certain of the properties are subject to the following royalties or option agreements:

Note 9 – Exploration and Evaluation Assets - Continued

Stoke Mountain

The Corporation has earned a 100% interest in claims located in the Eastern Townships of Quebec. The Optionor retains a 2% NSR, of which 1% may be bought back for $1,000,000.

Robidoux, Gaspe Bay Group

The Corporation has sold its interest in these claims for cash payments totaling $100,000 (received) and the issuance of common shares of Canadian Gold Resources Ltd. at a value of $400,000, to be received by September 30, 2024.

(c) 100% owned claims in the Province of Ontario

The Corporation has 100% ownership interests in numerous claims in the Province of Ontario, namely Desolation Lake. The earned interests in Dorothy, Mallard Heenan and Koper Lake-McFaulds were subject to the following royalties or option agreements:

Dorothy

In June 2018, the Corporation entered into a purchase agreement to acquire claims located in the NE corner of Megissi Township, Ontario. The Corporation may earn a 100% interest by:

(i) paying a total advance royalty of $62,500 to the Vendor over 5 years ($62,500 paid)
(ii) issuing a total of 250,000 common shares (issued)

The Optionor will retain a 2% NSR, of which 1% may be bought back for $1,000,000.

In March, 2023, the property was transferred to South Timmins Mining Inc pursuant to a joint venture transaction (see Note 8).

Mallard Heenan

In January and February 2018, the Corporation entered into purchase agreements to acquire claims located in the Swayze greenstone belt, southwest of Timmins, Ontario. The Corporation may earn a 100% interest by:

(i) paying a total advance royalty of $150,000 to the Vendors over 5 years ($150,000 paid)
(ii) issuing a total of 1,250,000 common shares (issued)
(iii) spending $225,000 on exploration and development over two years (incurred)

The Optionors of certain claims will retain a 2% NSR, of which 1% may be bought back within 7 years for $1,000,000, and the Optionors of other claims will retain a 1.5% NSR, of which 1% may be bought back within 7 years for $1,000,000.

In December 2018, the Corporation entered into a purchase agreement to acquire claims located in the Swayze greenstone belt, southwest of Timmins, Ontario. The Corporation may earn a 100% interest by:

(i) paying a total of $6,000 to the Vendors (paid)
(ii) issuing a total of 100,000 common shares (issued)

The Optionor will retain a 0.5% NSR.

Note 9 – Exploration and Evaluation Assets – Continued

In March, 2023, the property was transferred to South Timmins Mining Inc pursuant to a joint venture transaction (see Note 8).

Koper Lake - McFaulds

On September 1, 2022, the Corporation closed the sale of all of the right, title and interests beneficially owned by Fancamp in and to the "Koper Lake-McFaulds" mineral properties, in the Province of Ontario, to KWG Resources Inc.

The consideration paid by KWG to Fancamp for the purchase of the Mining Claims and the one-time payment by Fancamp to KWG of $1,500,000 consisted of: (a) the issuance by KWG to Fancamp of a secured convertible promissory note in the principal amount of $34.5 million; (b) the issuance by KWG to Fancamp of warrants to purchase a total of 4,044,453 multiple voting shares of KWG; and (c) the grant by KWG to Fancamp of a 2.0% NSR (one-quarter of which may be purchased by KWG at any time for $5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after the closing date.

At the disposition date, the secured convertible promissory note was valued at $16,250,000 and the consideration warrants at $1,920,000 while the NSR was valued at $nil. The fair value of the considerations received were determined using valuation techniques based on management assumptions and market conditions existing as at the measurement date. The carrying value of the property was $5,698,938 on the date of the disposition. The Corporation recorded a gain on disposal of $10,971,062 as a result of this transaction.

(d) Mineral property royalty interests

Beauce HPQ claims

The Corporation has been granted a 3.5% Gross Metal Royalty on any gold production extracted.

Fermont Properties claims

On July 8, 2021, the Corporation entered into a royalty purchase agreement with Champion Iron Limited, whereby Champion acquired 100% ownership interest in the Lac Lamêlée property along with the 3.0% NSR and the 1.5% NSR interest in the O'Keefe-Purdy, Harvey-Tuttle, Bellechasse, Oil Can, Fire Lake North Consolidated, Peppler Lake and Moiré Lake properties ("Fremont Properties"). Fancamp received consideration of $1.3 million in cash, plus certain future finite production payments payable once certain iron ore production thresholds have been reached with respect to iron ore production from the Fermont Properties.

Johan Beetz claims

The Corporation retains a 3.0% NSR for the first two years of commercial production, increasing to 5% thereafter.

Lac La Blache claims

The Lac La Blache claims are subject to a royalty interest of 2.0% of NSR, rising to 4% two years following production.

Note 9 – Exploration and Evaluation Assets – Continued

Koper Lake – McFaulds claims

The Koper-Lake McFaulds claims are subject to a 2.0% NSR (one-quarter of which may be purchased by KWG Resources Inc. at any time for $5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after September 1, 2022.

Wells claims

The Wells claims are subject to 2.0% NSR on all mineral production.

Mallard/Heenan/Dorothy claims

The Mallard/Heenan/Dorothy claims are subject to a 1.0% NSR, subject to a decrease to a 0.5% NSR should Fancamp increase its ownership in South Timmins Mining Inc. to 50%.

(e) Impairment of mineral properties interests

During the year ended April 30, 2024, the Corporation has written off/down a total of $1,187,164 (2023 - $359,842) on its exploration and evaluation assets for those properties management determined to be expired or no immediate plans for exploration activities.

Note 10 – Share Capital

(a) Authorized: Unlimited common shares without par value

Issued:

On December 21, 2023, the Corporation closed a non-brokered private placement of $4,561,582 through the sale of 60,165,455 common shares, at a price of $0.07 and 4,000,000 flow-through shares, at a price of $0.0875. $137,309 was recorded as share issuance costs. As the flow-through shares were issued at market price no deferred flow-through premium was recorded. The Corporation has a commitment to incur $350,000 in qualifying expenditures associated with the flow-through shares.

There are a total of 240,933,751 shares issued and outstanding as of April 30, 2024 (2023 – 176,518,296).

(b) Share purchase warrants

As at April 30, 2024, there were Nil common share purchase warrants outstanding (2023 – Nil).

(c) Management incentive options

The Corporation's stock option plan provides for the granting of stock options totaling in aggregate up to 10% of the Corporation's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relation services or consulting services up to a limit of 5% and 2% respectively of the Corporation's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant, except stock options granted to consultants or employees performing investor relation activities, which vest over 12 months. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years after the grant date.

Note 10 – Share Capital - Continued

A summary of the options granted under the Corporation's plan as at April 30, 2024 and 2023 and the changes during the year then ended is as follows:

	No. of Options	Weighted average exercise price ($)
Outstanding, April 30, 2024, 2023 and 2022	13,070,000	0.12

The weighted average remaining contractual life for the management incentive options outstanding as at April 30, 2024 is 2.56 years (2023 – 3.56 years).

Stock based compensation related to options granted/vested is $Nil (2023 - $24,467).

A summary of stock options outstanding and exercisable is as follows:

Exercise price per share $	Expiry date	Number of options outstanding and exercisable 2024	2023
0.12	November 9, 2026	11,750,000	11,750,000
0.12	February 21, 2027	1,320,000	1,320,000
		13,070,000	13,070,000

Note 11 – Related Party Transactions and Balances

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

Transactions for the year ended April 30:	**2024**	**2023**
Management Fees	575,020	287,468
Director, Committee Fees	120,000	120,000
Consulting Fees	47,765	40,175

Balance with related parties as of April 30	2024	2023
	$	**$**
Amounts due to directors and officers	141,424	18,401

Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties.

Note 12 – Income Taxes

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended April 30, 2024 and 2023:

Note 12 – Income Taxes – Continued

		2024	2023
		$	$
Income(loss) before Tax		(2,433,950)	12,435,562
Statutory tax rate		26.50%	26.50%
Expected income tax (recovery)		(645,000)	3,295,424
Non-(taxable) deductible items and other		243,000	508,482
Non-taxable dividends		-	(164,300)
Adjustment to prior years provision versus statuatory tax filing		(148,000)	-
Change in estimates and other		(4,000)	37,309
Tax effect of flow-through shares		93,000	-
Tax effect of deconsolidation		(36,000)	61,690
Change in deferred tax asset not recognized		(3,170,164)	3,327,188
Total tax expense (recovery)		(3,667,164)	7,065,793

		2024	2023
		$	$
Current tax expense (recovery)		-	6,665,113
Deferred tax expense (recovery)		(3,667,164)	400,680
Total tax expense (recovery)		(3,667,164)	7,065,793

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Details of deferred tax assets (liabilities) are as follows:

		2024	2023
		$	$
Non-capital losses carryforwards		-	-
Mining equipment		(1,000)	(750)
Exploration and evaluation assets		(1,280,000)	(1,572,842)
Convertible promissory note		3,016,000	-
Marketable securities		(1,735,000)	(2,101,993)
Financing costs		-	8,421
Net deferred tax assets (liabilities)		-	(3,667,164)

The unrecognized deductible temporary differences as at April 30, 2024 and 2023 are comprised of the following:

		2024	2023
		$	$
Promissory note		2,791,000	15,440,000
Investment in associates		1,087,000	565,125
Share issue costs		119,000	-
Intercompany receivable		1,965,000	-
Total unrecognized deductible temporary differences		5,962,000	16,005,125

Note 12 – Income Taxes - Continued

IFRIC Interpretation 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. As at April 30, 2023, the Company has evaluated the uncertain tax treatments relating to the determination of proceed on disposition of resource properties and recorded an uncertain tax position of $6,057,096. In addition, the Company has separately recorded a provision for uncertain tax positions associated with the transaction.

Note 13 – Financial Instruments and Financial Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Corporation's financial instruments consist of cash, short-term investment, marketable securities and warrants, other receivables, convertible promissory note, accounts payable and accrued liabilities and due to related parties. The carrying value of cash, short-term investment, other receivables, accounts payable and accrued liabilities, and due to related party approximate their fair values due to their immediate or short-term maturity. Marketable securities consisting of common shares are recorded at fair value based on the quoted market, which is consistent with Level 1 of the fair value hierarchy. Marketable securities consisting of warrants are recorded at fair value based on a Black-Scholes pricing model consistent with Level 2 of the fair value hierarchy. Marketable securities consisting of common shares in private companies are recorded at fair value based on inputs for the asset or liability that are not based on observable market data and convertible promissory notes are recognized initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, convertible promissory notes are measured at fair value with changes in fair value recognized in consolidated statement of profit or loss, which are consistent with Level 3 of the fair value hierarchy.

The Corporation is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, foreign currency risk and equity market risk. The Corporation's objective with respect to risk management is to minimize potential adverse effects on the Corporation's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

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

	April 30, 2024			
	Marketable Securities	Warrants	Convertible Promissory Note	Consideration Warrants
	$	$	$	
Level 1	19,865,576	-	-	-
Level 2	-	384,408	-	-
Level 3	-	-	19,770,000	210,000

Note 13 – Financial Instruments and Financial Risk Management – Continued

	April 30, 2023			
	Marketable Securities	Warrants	Convertible Promissory Note	Consideration Warrants
	$	$	$	
Level 1	18,242,755	-	-	-
Level 2	-	467,425	-	-
Level 3	-	-	19,060,000	2,240,000

There have been no changes between levels during the year.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to its cash. The Corporation manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Corporation has recorded an allowance for the collection of a doubtful account in the amount of $1,964,511.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Corporation's holdings of cash that might be raised from equity financings. As at April 30, 2024, the Corporation had current assets of $25,224,590 (2023 – $24,940,421) and current liabilities of $6,462,122 (2023 - $6,926,060). All of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Corporation believes that these sources will be sufficient to cover the expected short and long term cash requirements.

Market risk

Market risk consists of interest rate risk, foreign currency risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Corporation's marketable securities are subject to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Corporation to interest rate risk with respect to its cash flow. It is management's opinion that the Corporation is not exposed to significant interest rate risk.

Foreign currency risk

The Corporation is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

Note 13 – Financial Instruments and Financial Risk Management – Continued

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Corporation has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

Note 14 – Capital Management

The Corporation's objective when managing capital is to maintain investor and market confidence and a flexible capital structure which will allow it to execute on its capital expenditure program, which includes expenditures primarily in the exploration and evaluation assets, which may or may not be successful. Therefore, the Corporation monitors the level of risk incurred in its capital expenditures to balance the equity in its capital structure.

The Corporation manages its equity as capital. As the Corporation is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Corporation's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders. No changes were made in the objectives, policies and processes for managing capital during the year ended April 30, 2024. The Corporation is not subject to any externally imposed capital requirement.

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Corporation to ensure its appropriateness to the stage of development of the business.

The properties in which the Corporation currently has interest are in the exploration stage and the Corporation is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

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

In order to facilitate the management of capital and maintenance and development of future mining sites, the Corporation may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Corporation's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Corporation does not pay dividends. The Corporation expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

Note 15 – Contingencies

The Magpie Mines Inc.

In April 2019, the Corporation and The Magpie Mines Inc. ("Defendants") received a statement of claim relating to liquidated damages for termination of the agreement dated January 1, 2018 whereby a former director (the "Former Officer") acted as consultant to Fancamp (the "Agreement") and to assist Magpie with mineral engineering research and development activities. Fancamp has not recognized a provision for the claimed amount given the conditions to recognize a provision were not met.

In June 2019, the Defendants filed a statement of defense in the Ontario Superior Court of Justice whereby they alleged that Former Officer breached his obligations towards the Defendants by misappropriating part of the intellectual property of The Magpie Mines Inc. through the named Corporation controlled by the Former Officer, and misusing the funds of The Magpie Mines Inc., including a grant from Sustainable Development Technology Canada. These actions led to the termination of the Agreement in November 2018.

Based on the facts of the case, Fancamp believes that the litigation instituted by the Plaintiffs is without merit and believes that the Plaintiffs are not entitled to any of the Damages. Fancamp intends to vigorously defend itself against the Plaintiffs and has filed a Statement of Defense and Counterclaim.

On January 23, 2024, the Corporation filed an application in Quebec against The Magpie Mines Inc. for the payment of $1,964,510.97 plus interest and court costs in regards to the non-secured, on demand note.

As of April 30, 2024, all litigations are still in process.

Canadian Chrome Co. (KWG Resources), The Magpie Mines Inc., Peter Smtih and Fouad Kamaleddine

On August 11 2023, the Corporation provided comment an announcement made by The Canadian Chrome Co. ("Chrome Co."), a registered business style of KWG Resources Inc., with respect to Chrome Co.'s acquisition of two thirds of the issued and outstanding special shares in the capital of The Magpie Mines Inc. from Peter Smith and Fouad Kamaleddine (the "Transaction").

Fancamp is a major shareholder of The Magpie Mines Inc., with ninety-six percent (96%) of the issued and outstanding common shares in the capital of Magpie Mines. In addition, Fancamp has a two-percent (2%) NSR on the Magpie deposit and is the largest creditor of Magpie Mines.

Each common share of Magpie Mines carries one (1) vote for the election of forty-nine percent (49%) of the total number of Directors of Magpie Mines, while each special share of Magpie Mines carries one (1) vote for the election of fifty-one percent (51%) of the total number of Directors of Magpie Mines. As a result of the issuance of special shares, which were allocated to previous Directors of Fancamp and of Magpie Mines, holders of these special shares control decisions relating to the election of Magpie Mines Directors and, as a result, decisions taken by its Board of Directors.

The proposed Transaction was not previously known to Fancamp. Smith's and Kamaleddine's ownership of the Magpie special shares is disputed and the subject of pending litigation.

On May 27, 2021, the Corporation discontinued the lawsuit against the third individual after the special shares issued to that individual were conveyed to Fancamp.

On August 8, 2023, Fancamp wrote to Chrome Co. to advise that:

Note 15 – Contingencies - Continued

1. There is pending litigation with respect to the validity and ownership of the special shares;

2. In light of that information Fancamp expects that Chrome Co. will not proceed with its acquisition of the special shares, and that it will issue a news release to that effect by no later than Friday, August 11, 2023; and

3. Chrome Co. now has full knowledge of Smith's and Kamaleddine's breaches of fiduciary duty and of trust, and would be proceeding as a knowing participant in those breaches. If Chrome Co. proceeds with the Transaction despite that knowledge Fancamp anticipates it would be entitled to seek relief directly against Chrome Co., including injunctive relief and compensation for its damages (including legal fees).

On August 16, 2023, the Corporation announced that it had been informed by Chrome Co.of the expiration of this proposed transaction.

Fancamp will continue to take appropriate steps to protect its interests including but not limited to the recovery of the special shares.

<u>Termination of Peter H. Smith</u>

In August, 2020, at the request of the Board, Peter H. Smith stepped down as President. On April 1, 2021, the consulting agreement between the Corporation and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim (see "Civil Lawsuit Against Peter H. Smith"), a demand for payout of $500,000 and an additional $27,000 for amounts owing. $27,000 has been accrued as of April 30, 2023 and 2024.

Management has not recognized provision for claimed amount given the conditions to recognize provision were not met. Fancamp believes that any claim that may be instituted by Peter H. Smith is without merit and that he is not entitled to any damages. The Corporation intends to vigorously defend its actions.

<u>Civil Law suit Against Peter H. Smith</u>

On May 14, 2021, Fancamp filed a civil claim in the British Columbia Supreme Court seeking over $3,000,000 in damages from Mr. Smith on behalf of our shareholders.

Note 16 – The Magpie Mines Ltd. - Determination to Deconsolidate

Subsequent to the termination of Peter H. Smith in August, 2020 as well as the ongoing disputes detailed in Note 15 – Contingencies, Fancamp has determined that it cannot exercise control over The Magpie Mines Inc. The directors of The Magpie Mines Inc. issued themselves Special Shares which allow for the election of 2/3 of the board of directors of The Magpie Mines Inc.

In the Consolidated Statement of Operations and Comprehensive Income the Corporation has recorded a gain of $429,696 from the deconsolidation of The Magpie Mines Inc. on March 31, 2023, the date Fancamp lost control over Magpie. Fancamp has recorded the $1,964,511 advanced to The Magpie Mines Inc. as well as an allowance for the possibility that this debt will not be fully repaid (See Note 6 – Other Receivable) and filed a notice of its intention to collect the amount due.

Note 16 – The Magpie Mines Ltd. - Determination to Deconsolidate - Continued

Assets and Liabilities related to the deconsolidation were as follows:

	As at March 31, 2023
	$
Cash	15
Other Accounts Receivable	50
GST Receivable	14
Advance	(1,964,511)
Exploration & Evaluation Assets	12,926
Accounts Payable	(391,784)
Deferred Income	(144,187)
Accumulated NCI up to March 31	93,270
Gain on Deconcolidation	2,394,207
Allowance on advance	(1,964,511)
Net Gain due to deconsolidation	429,696

As management has assessed an ECL of $1,964,511 on their receivable from Magpie immediately upon deconsolidation of the Magpie investment, the ECL loss should be netted against the $2,394,207 gain shown above.

Note 17 – Subsequent Events

On August 16, 2023 the Company announced that it had been informed of the expiration of the proposed agreement between KWG Resources Inc. (“KWG”), carrying on its business as the Canadian Chrome Company (“CCC”), with Peter Smith and Fouad Kamaleddine. See Fancamp press release dated August 11, 2023. CCC’s agreement with option to fulfill a proposed acquisition of two-thirds of the issued and outstanding special shares in the capital of The Magpie Mines Inc. from Peter Smith and Fouad Kamaleddine has lapsed.

The Corporation has entered into an agreement with Lode Gold Resources Inc. (“Lode Gold”) (TSX Venture Exchange: LOD) and 1475039 B.C. Ltd. (“Spin Co”, also referred to as “Gold Orogen”), a wholly-owned subsidiary of Lode Gold, to advance the exploration and development of certain mineral properties located in the Yukon and New Brunswick. The key highlights of the transaction are:

Lode Gold will transfer its McIntyre Brook mineral property and Fancamp will transfer its Riley Brook mineral property, both located in New Brunswick to a joint-venture entity in which Fancamp and Spin Co will each own 50% of the outstanding shares. Fancamp will be the Operator. Lode Gold will transfer to Spin Co, Gold Orogen, both its Golden Culvert mineral property located in Selwyn Basin, Tombstone Belt, southeastern Yukon, and its nearby Win mineral property located in the Tombstone Belt, southeastern Yukon.

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Fancamp will invest $2,500,000 into Spin Co in exchange for such number of common shares of Spin Co as is equal to 19.9% of the outstanding Spin Co Shares on an undiluted basis, after completion of the Spin Out. Spin Co will raise $1,500,000 by way of equity private placement in addition to the Fancamp Investment. Fancamp will invest $500,000 into Lode Gold in exchange for 14,285,714 special warrants on a private placement basis, at an issue price of $0.035 per Lode Gold Special Warrant. These Special Warrants will be converted to Lode Gold shares upon completion of the Spin Out. Lode Gold will undertake a spin-out transaction of Spin Co pursuant to which each shareholder of Lode Gold will receive Spin Co shares for each common share of Lode Gold held on the effective date of the Spin Out, whereby Spin Co will become a reporting issuer.

Fancamp Exploration Ltd.

Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets

The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2023:

	As At April 30, 2022			Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2023				As At April 30, 2023		
	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total	Acquisition Costs Incurred	Option and Other Payments (Received)	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects										
Clinton, PQ	$ 45,954	$ 1,353,659	$ 1,399,613	$ -	$ -	$ 156,051	$ -	$ 45,954	$ 1,509,710	$ 1,555,664
Gaspe Bay Group, PQ **	14,436	913,124	927,560	398	(50,000)	12,323	(432)	14,834	875,015	889,849
Harvey Hill, PQ	-	693,656	693,656	-	-	44,280	-	-	737,936	737,936
KoperLake - McFaulds, ON	1,290	5,697,648	5,698,938	-	-	-	(5,698,938)	-	-	-
Risborough, PQ	239	22,103	22,342	-	-	-	-	239	22,103	22,342
Stoke, PQ	76,470	2,495,674	2,572,144	(200)	-	395,548	-	76,270	2,891,222	2,967,492
Prospects-Quebec										
Abitibi Group *	69,633	11,664	81,297	777	-	911	(80,931)	32	2,022	2,054
Beauce Main BVB	4,962	86,856	91,818	-	-	220	-	4,962	87,076	92,038
Beauce Timrod	1	17,791	17,792	-	-	326	-	1	18,117	18,118
DiLeo Lake	1	26,877	26,878	-	-	15,641	-	1	42,518	42,519
Grasset Laforest	39,916	280,911	320,827	966	-	2,807	(238,407)	10,957	75,236	86,194
Grevet	512	22,886	23,398	-	-	728	-	512	23,614	24,126
Jim Lake	663	-	663	-	-	-	(663)	-	-	-
Kinross	512	19,278	19,790	-	-	1,108	-	512	20,386	20,898
Lac Baude Baril	2,327	85,520	87,847	-	-	275	-	2,327	85,795	88,122
Lac Claire	1,109	1,313	2,422	-	-	-	(2,422)	-	-	-
Langevin	1,867	3,530	5,397	-	-	-	(5,397)	-	-	-
Lynch Lake	596	-	596	-	-	-	(596)	-	-	-
Mingan, Lac Au Vents	-	-	-	-	-	10,626			10,626	10,626
Sheen	1,193	-	1,193	-	-	-	(1,193)	-	-	-
St. Ferdinand	392	-	392	-	-	-	(392)	-	-	-
Timbrell	522	360	882	-	-	-	(882)	-	-	-
Prospects-New Brunswick			-							
Becagiumec Lake	1,930	74,814	76,744	-	-	190	(28,527)	1,930	46,477	48,407
Piskhegan	2,560	-	2,560	-	-	-	-	2,560	-	2,560
Prospects-Ontario										
Cunningham	1	-	1	-	-	-	-	1	-	1
Dorothy	63,951	-	63,951	-	-	-	(63,951)	-	-	-
Mallard Heenan	336,800	660,606	997,406	-	-	-	(997,406)	-	-	-
Nominal Value Properties	11	2,595	2,606	-	-	-	(3)	8	2,595	2,603
	$ 667,848	$ 12,470,865	$ 13,138,713	1,941	(50,000)	641,034	(7,120,140)	161,100	6,450,448	6,611,548

* Abitibi Group includes such properties as 62/63, 706, 836, Bearn, La Sarre, SW Abitibi, Languedoc, Berry, Chicobi, Macamic, Privat, Roquemaur, Whiskey Jack and Pamarolle

** Gaspe Bay Group includes such properties as Amqui, Angers, Boibusisson, Madeline, Robidoux, Robinson and St. Margeurite

Fancamp Exploration Ltd.

Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets

The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2024:

	As At April 30, 2023			Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2024				As At April 30, 2024		
	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total	Acquisition Costs Incurred	Option and Other Payments (Received)	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects										
Clinton, PQ	$ 45,954	$ 1,509,710	$ 1,555,663	$ -	$ -	$ 465,022	$ -	$ 45,954	$ 1,974,732	$ 2,020,685
Gaspe Bay Group, PQ **	14,834	875,015	889,849	-	(50,000)	28,137	(430,307)	14,834	422,845	437,679
Harvey Hill, PQ	-	737,936	737,936	-	-	42,980	(658,516)	-	122,400	122,400
Risborough, PQ	239	22,103	22,342	-	-	293	-	239	22,396	22,635
Stoke, PQ	76,270	2,891,222	2,967,492	-	-	67,398	-	76,270	2,958,620	3,034,890
Prospects-Quebec										
Abitibi E	2,022	32	2,054	-	-	2,308	-	2,022	2,340	4,362
Beauce Main BVB	4,962	87,076	92,038	-	-	2,710	(47,374)	2,481	44,893	47,375
Beauce Timrod	1	18,117	18,118	-	-	-	-	1	18,117	18,118
DiLeo Lake	1	42,518	42,519	-	-	59,121	-	1	101,639	101,640
Grasset Laforest	10,957	75,238	86,193	10,988	-	15,668	-	21,945	90,906	112,848
Grevet	512	23,614	24,126	-	-	293	-	512	23,907	24,419
Kinross	512	20,386	20,898	-	-	184	-	512	20,570	21,082
Lac Baude Baril	2,327	85,795	88,122	-	-	733	-	2,327	86,528	88,855
Magpie	-	-	-	73	-	-	-	73	-	73
Mingan, Lac Au Vents	-	10,626	10,626	-	-	-			10,626	10,626
Prospects-New Brunswick								-		
Becagiumec Lake	1,930	46,477	48,407	-	-	-	(48,407)	-	-	-
Piskhegan	2,560	-	2,560	-	-	-	(2,560)	-	-	-
Riley Brook	-	-	-	86,871		14,710		86,871	14,710	101,581
Nominal Value Properties	11	2,595	2,606	-	-	-	(2)	9	2,595	2,604
	$ 163,092	$ 6,448,460	$ 6,611,549	97,932	(50,000)	699,556	(1,187,166)	254,051	5,917,821	6,171,872

** Gaspe Bay Group includes the Robidoux and St. Margeurite properties

Fancamp Exploration Ltd.
Schedule II - Exploration Expenditures on Exploration and Evaluation Assets
April 30, 2024 and 2023

Incurred in the year ended ended April 30, 2024:

	Camp Drilling Assays	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2024
Baude Lake Baril	$ -	$ 733	$ -	$ -	$ 733
Beauce Main BVB	-	2,710	-	-	2,710
Berry Chicobi Abitibi E	-	2,308	-	-	2,308
Clinton	592,717	6,988	31,906	(166,589)	465,022
DiLeo Lake	28,085	30,359	39,857	(39,181)	59,121
Gaspe Bay Group	-	366	-	-	366
Harvey Hill	1,040	5,776	37,792	(1,627)	42,980
Grasset La Forest	-	12,453	4,252	(1,037)	15,668
Grevet	-	293	-	-	293
Kinross	-	184	-	-	184
Riley Brook	-	-	14,710	-	14,710
Risborough	-	293	-	-	293
Stoke	2,805	12,637	54,396	(2,440)	67,398
Ste Marguerite	14,352	6,098	17,686	(10,365)	27,771
	$ 638,999	$ 81,198	$ 200,598	$ (221,238)	$ 699,556

Incurred in the year ended ended April 30, 2023:

	Camp Drilling Assays	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2023
Baude Lake Baril	$ -	$ 275	$ -	$ -	$ 275
Beauce Main BVB	-	220	-	-	220
Beauce Timrod	-	326	-	-	326
Becagiumec Lake	-	190	-	-	190
Clinton	2,286	58,745	154,703	(59,684)	156,051
DiLeo Lake	7,480	275	14,913	(7,027)	15,641
Gaspe Bay Group		11,562	1,058	(296)	12,323
Harvey Hill	9,446	32,767	19,073	(17,006)	44,280
Grasset La Forest	-	381	3,518	(1,092)	2,807
Grevet	-	-	1,011	(283)	728
Kinross	87	-	1,452	(431)	1,108
Lac Au Vent	-	10,626	-	-	10,626
Stoke	296,551	60,376	188,995	(150,374)	395,548
SW Abitibi	-	-	1,265	(354)	911
	$ 315,851	$ 175,742	$ 385,988	$ (236,548)	$ 641,034