Financial Statements of

Vanadian Energy Corp.

For the years ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Vanadian Energy Corp.

Opinion

We have audited the accompanying financial statements of Vanadian Energy Corp. (the "Company"), which comprise the statements of financial position as at July 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company had a working capital deficiency of $1,653,051, and had a total deficit of $50,240,222. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Catherine Tai.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

November 28, 2024

Vanadian Energy Corp.

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	July 31, 2024	July 31, 2023
		$	$
Current Assets			
Cash		20,062	2,384
Sales tax recoverable		1,848	1,765
Prepaid expenses		-	833
		21,910	4,982
Current Liabilities			
Amounts payable and accrued liabilities	7	1,324,961	1,153,279
Notes payable	5, 7	350,000	325,000
		1,674,961	1,478,279
Shareholders' Deficiency			
Share capital	6	40,852,853	40,852,853
Reserves		7,734,318	7,734,318
Deficit		(50,240,222)	(50,060,468)
		(1,653,051)	(1,473,297)
		21,910	4,982

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Notes 1,5,6)

Approved on behalf of the Board:

/s/"Gordon Keep"

Director

/s/"Marc Simpson"

Director

See accompanying notes to the financial statements

Vanadian Energy Corp.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	Years ended July 31, 2024	2023
		$	$
Expenses			
Consulting	7	120,000	120,000
Office and administration		2,805	1,783
Professional fees	7	24,320	24,287
Regulatory and transfer agent		12,708	18,135
		(159,833)	(164,205)
Other Items			
Finance expense	5	(20,696)	(18,484)
Finance income		775	232
Impairment of exploration and evaluation assets	4	-	(623,976)
		(19,921)	(642,228)
Loss and comprehensive loss for the year		(179,754)	(806,433)
Basic and diluted loss per share		(0.04)	(0.19)
Weighted average number of common shares outstanding, basic and diluted		4,226,117	4,226,117

See accompanying notes to the financial statements

Vanadian Energy Corp.

Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total Shareholders' Deficiency
		$	$	$	$
Balance, July 31, 2022	4,226,117	40,852,853	7,734,318	(49,254,035)	(666,864)
Loss and comprehensive loss for the year	-	-	-	(806,433)	(806,433)
Balance, July 31, 2023	4,226,117	40,852,853	7,734,318	(50,060,468)	(1,473,297)
Balance, July 31, 2023	4,226,117	40,852,853	7,734,318	(50,060,468)	(1,473,297)
Loss and comprehensive loss for the year	-	-	-	(179,754)	(179,754)
Balance, July 31, 2024	4,226,117	40,852,853	7,734,318	(50,240,222)	(1,653,051)

Subsequent to July 31, 2024, the Company consolidated its outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share, effective November 21, 2024 (the "Share Consolidation"). The total number of shares reflect the Share Consolidation retroactively.

See accompanying notes to the financial statements

Vanadian Energy Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	Years ended July 31, 2024	2023
		$	$
OPERATING ACTIVITIES			
Loss and comprehensive loss for the year		(179,754)	(806,433)
Items not involving cash:			
Impairment of exploration and evaluation assets	4	-	623,976
Finance expense - accrued	5	20,696	18,481
Changes in non-cash items:			
Amounts receivable		(83)	1,735
Prepaid expenses		833	1,329
Amounts payable and accrued liabilities		150,986	118,166
		(7,322)	(42,746)
FINANCING ACTIVITIES			
Issuance of notes payable	5	25,000	25,000
		25,000	25,000
Change in cash		17,678	(17,746)
Cash, beginning		2,384	20,130
Cash, ending		20,062	2,384

$9,845 of share issue costs included in amounts payable and accrued liabilities at July 31, 2024 (July 31, 2023: $9,845).

No cash was paid for interest or income taxes during the years ended July 31, 2024 and 2023.

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Vanadian Energy Corp., (the "Company") was incorporated in the province of British Columbia on April 21, 1999. The Company is publicly listed on the NEX board of the TSX Venture Exchange (the "TSXV") under the symbol "VEC" and its registered and records office is located at 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3. The Company is a Canadian-based exploration company focused on exploring for vanadium deposits in Manitoba. All of the Company's assets are located in Canada. The Company has not generated revenues from operations and is considered to be in the exploration stage.

As at July 31, 2024, the Company had a working capital deficiency of $1,653,051 (July 31, 2023: $1,473,297), and had a total deficit of $50,240,222 (July 31, 2023: $50,060,468).

While these financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business, there are conditions that cast significant doubt on the validity of this assumption. The Company's ability to continue as a going concern is dependent on management's capacity to identify additional sources of capital and to raise sufficient resources in order to fund on-going operating expenditures and the Company's development plan. Although management has been successful in the past, there is no assurance these initiatives will be successful in the future. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These conditions cast significant doubt as to the Company's ability to continue as a going concern.

Recent global issues have adversely affected workplaces, economies, supply chains, and financial markets. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

Subsequent to July 31, 2024, the Company completed the Share Consolidation. These financial statements reflect the Share Consolidation retroactively.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the board of directors on November 28, 2024.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant Accounting Judgments and Estimates

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. BASIS OF PRESENTATION (Continued)

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant judgements and estimates made by management affecting the Company's financial statements include.

Going concern

These financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materially different outcome.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Decommissioning and restoration provisions

The Company estimates future remediation costs of exploration and evaluation assets at different stages of development and construction of assets or facilities. In most instances, the removal of assets occurs many years into the future. This requires judgment regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating the cost, future removal technologies in determining the removal cost, and liability-specific discount rates to determine the present value of these cash flows.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies used in the preparation of these financial statements are described below:

(a) Cash

Cash includes deposits held with banks that are available on demand.

(b) Exploration and Evaluation Assets

Exploration and evaluation expenditures are capitalized on a property by property basis once the legal right to explore a property has been acquired, and future economic benefits are more likely than not to be realized. These include the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Costs incurred before the Company has obtained the legal right to explore, as well as indirect administrative costs, are expensed as incurred.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(c) Financial Instruments

Financial assets are classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets which consist of cash and amounts receivable are classified at amortized cost.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities are initially recognized on the date they are originated and are derecognized when the contractual obligations are discharged or cancelled or expire. These financial liabilities are recognized initially at fair value and subsequently are measured at amortized costs using the effective interest method, when materially different from the initial amount. Fair value is determined based on the present value of future cash flows, discounted at the market rate of interest.

The Company's financial liabilities which consists of amounts payable and accrued liabilities and notes payable are classified as and measured at amortized cost. Refer to Note 8 for further disclosures.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Impairment

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the year. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(e) Loss Per Share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(f) Income Taxes

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

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Decommissioning and Restoration Provision

Decommissioning and restoration provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted for the market discount rate.

Over time the discounted liability is increased for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Changes in closure and reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost. There are no decommissioning and restoration provisions for the years presented.

(h) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated to common shares and warrants on a relative fair value basis whereby the common shares are valued based on the quoted market price of the common shares at the time the units are priced, and the warrants are valued using the Black-Scholes option pricing model.

(i) Share-Based Payments

The Company's stock option plan allows Company employees, directors, officers, consultants and charities to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, considering the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Foreign Exchange

The Company's functional and reporting currency is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at the date of the statement of financial position to reflect exchange rates prevailing at that date. Non-monetary assets and liabilities are translated at historical exchange rates. Gains and losses on translation are included in profit or loss for the year.

(k) Recent Accounting Standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB. The Company has identified the following:

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. Management believes that IFRS 18 will likely have a material impact on the Company's present or future financial position, results of operations or cash flows.

There are no other new standards which the Company reasonably expects are applicable to the Company and will significantly impact the Company

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 mineral properties. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

a) Huzyk Creek Vanadium Property

On December 12, 2018, the definitive agreement (the "Agreement") was completed, whereby the Company has the right to earn up to 100% interest in the Huzyk Creek Vanadium Property (the "Property") in north-central Manitoba. In December 2019, the Company signed an agreement to amend the terms of the payments as per below.

The Company can earn an initial 49% interest in the Property by making staged payments over three years to Rocas del Norte Incorporated (the "Vendors") totalling $215,000, issuing 25,000 common shares and a further $157,500 in common shares and completing $2,500,000 of exploration on the Property. The staged payments are as follows:

- $25,000 in cash and 25,000 common shares (paid and issued) on signing;
- $25,000 in cash, 115,000 common shares, and $250,000 in exploration expenditures (paid, issued and incurred) by December 12, 2019;
- $25,000 in cash (paid) by June 2020;
- $60,000 in cash, $50,000 in common shares and $750,000 in exploration expenditures by December 12, 2020; and

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

- $80,000 in cash, $50,000 in common shares and $1,500,000 in exploration expenditures by December 12, 2021.

The Company can earn an additional 21% interest in the Property by making a cash payment of $125,000, issuing $50,000 in common shares to the Vendors, and completing $2,225,000 of exploration on the Property which will include a preliminary economic assessment study by December 12, 2022.

The Company can earn the remaining 30% interest in the Property for a total 100% interest in the Property by completing a pre-feasibility study, along with a cash payment of $500,000 to the Vendors by December 12, 2024.

The Vendors will retain a 2% Net Smelter Return royalty ("NSR") on the Property. The Company shall have the option to repurchase 1% of this NSR any time for $1,000,000 in cash or shares. The Company will also have a right of first refusal on the remaining 1% NSR if the Vendors elect to sell this interest.

During the year ended July 31, 2023, the Company impaired the Huzyk Creek Vanadian Property in the amount of $623,976 as substantive expenditures on further exploration for and evaluation of mineral resources in the specific area was neither budgeted nor planned.

As at July 31, 2024, $501,726 has been spent in exploration expenditures (July 31, 2023: $501,726).

During the year ended July 31, 2024, the claims lapsed.

b) Clearwater Project

The Company holds a 25% interest in the Clearwater Project in northern Saskatchewan, which is carried at $nil.

c) Pipewrench Lake and Narrows Lake Properties

The Company holds three claim blocks in the Pipewrench Lake and Narrows Lake areas in Saskatchewan. The Company has a 100% interest in these properties, which is carried at $nil.

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets:

	Huzyk Creek Property	Total
	$	$
Acquisition costs		
Balance, July 31, 2022	122,250	122,250
Impairment	(122,250)	(122,250)
Balance, July 31, 2023 and 2024	-	-
Exploration costs		
Balance, July 31, 2022	501,726	501,726
Impairment	(501,726)	(501,726)
Balance, July 31, 2023 and 2024	-	-
Carrying value	-	-

(Expressed in Canadian Dollars)

5. NOTES PAYABLE

As at July 31, 2024, notes payable of $350,000 (July 31, 2023: $325,000) were outstanding to a director of the Company. The notes accrue interest at 6% per annum and are payable on demand. During the year ended July 31, 2024, interest on notes payable of $20,696 was accrued (2023: $18,481). As at July 31, 2024, accrued interest on notes payable of $136,852 (July 31, 2023: $116,156) is included in amounts payable and accrued liabilities.

Subsequent to July 31, 2024, additional note payable of $30,000 was issued to this director. The note accrues interest at 6% per annum and is payable on demand.

6. EQUITY

(a) Authorized

Unlimited number of common shares with no par value.
Unlimited number of preferred shares with no par value.

Subsequent to July 31, 2024, the Company completed the Share Consolidation. These financial statements reflect the Share Consolidation retroactively.

(b) Issued and fully paid common shares

As at July 31, 2024, there were 4,226,117 common shares issued and outstanding.

There were no share capital transactions during the years ended July 31, 2024 and 2023.

(c) Share options

The Company has established a rolling Share Option Plan (the "Plan"). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than ten years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any three-month period. All other options vest at the discretion of the Board of Directors.

There were no share options granted during the years ended July 31, 2024 and 2023.

On March 3, 2024, 56,250 share options with an exercise price of $5.20 expired unexercised.

A summary of the changes in share options is presented below:

	Outstanding	Weighted average exercise price
		$
Balance, July 31, 2022	347,000	2.70
Cancelled	(45,500)	2.70
Balance, July 31, 2023	301,500	2.70
Expired	(56,250)	5.20
Balance, July 31, 2024	245,250	2.12

(Expressed in Canadian Dollars)

6. EQUITY (Continued)

The following table summarizes information about the share options outstanding and exercisable at July 31, 2024:

Outstanding and exercisable	Exercise price	Expiry Date	Weighted average remaining contractual life (years)
	$		
126,250	3.60	September 29, 2026	2.2
119,000	0.550	April 1, 2029	4.7
245,250			3.4

7. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2024, the Company:

(a) Incurred consulting fees of $120,000 (2023: $120,000) to a company of which a director of the Company is an officer. As at July 31, 2024, $708,000 (July 31, 2023: $582,000) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.

(b) As at July 31, 2024, $142,954 (July 31, 2023: $142,954) is due to a company of which a director of the Company is an officer and director and included in amounts payable and accrued liabilities in the statements of financial position.

(c) As at July 31, 2024, $1,598 (July 31, 2023: $nil) is due to an officer of the Company and included in amounts payable and accrued liabilities in the statements of financial position.

(d) Incurred legal fees included in professional fees of $5,821 (2023: $2,601) to a company of which a director of the Company is an officer. As at July 31, 2024, $80,968 (July 31, 2023: $74,876) is due to this company and included in amounts payable and accrued liabilities in the statements of financial position.

(e) As at July 31, 2024, notes payable of $350,000 (July 31, 2023: $325,000) and accrued interest of $136,852 (July 31, 2023: $116,156) is due to a director of the Company and included in notes payable and amounts payable and accrued liabilities, respectively, in the statements of financial position (Note 5).

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There was no key management compensation during the years ended July 31, 2024 and 2023.

8. FINANCIAL INSTRUMENTS

Fair values

Cash, sales tax recoverable, notes payable, and amounts payable and accrued liabilities are held at amortized cost which approximates fair value due to the short-term nature of these instruments.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy. The measurement is classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (Continued)

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 (i.e. as prices) or indirectly (i.e. derived from prices), and

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

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes notes payable and the components of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets. Refer to Note 1 for additional details of the Company's ability to continue as a going concern. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the periods presented.

10. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
	$	$
Loss for the year	(179,754)	(806,433)
Expected income tax (recovery)	(49,000)	(218,000)
Change in statutory, foreign tax, foreign exchange rates and other	1,000	1,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(80,000)	-
Change in unrecognized deductible temporary differences	128,000	217,000
Total income tax expense (recovery)	**-**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2024	2023
Deferred tax assets (liabilities)	$	$
Allowable capital losses	208,000	208,000
Non-capital losses	1,679,000	1,551,000
Property and equipment	80,000	80,000
Exploration and evaluation assets	6,463,000	6,463,000
Net deferred tax liability	**8,430,000**	**8,302,000**

(Expressed in Canadian Dollars)

10. INCOME TAX (Continued)

The significant components of the Company's temporary differences, unused tax credits, and unused tax losses that have not been included in the statement of financial position are as follows:

	2024	Expiry Date Range	2023	Expiry Date Range
Temporary Differences	$		$	
Allowable capital losses	769,000	No expiry date	769,000	No expiry date
Property and equipment	296,000	No expiry date	296,000	No expiry date
Exploration and evaluation assets	14,960,000	No expiry date	14,960,000	No expiry date
Exploration and evaluation assets - Quebec	20,370,000	No expiry date	20,370,000	No expiry date
Non-capital losses	6,219,000	2029 to 2044	5,743,000	2029 to 2043