



SIRIOS RESOURCES INC.
TSX-V: SOI
OTCQB: SIREF

Interim Financial Statements (unaudited)

DECEMBER 31, 2023

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This attached interim financial statements have been prepared by Sirios Resources Inc. and its external auditors have not been reviewed these financial statements.

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SIRIOS RESOURCES INC.

Interim Statement of Financial Position (unaudited)

(in Canadian dollars)

	Notes	December 31, 2023	June 30, 2023
		\$	\$
ASSETS			
Current			
Cash		1,076,612	2,345,601
Term deposit	4	50,000	50,000
Subscriptions receivable		500,000	-
Listed shares		121,295	220,318
Good and services tax receivable		89,238	18,208
Tax credits receivable		73,817	713,219
Prepaid expenses		71,515	143,492
		1,982,477	3,490,838
Non-current			
Property and equipment	5	61,406	170,883
Right-of-use asset	6	167,250	-
Exploration and evaluation assets	7	34,538,187	33,860,774
Total assets		36,749,320	37,522,495
LIABILITIES			
Current			
Trade and other payables		249,421	249,922
Amounts received in advance upon agreement on Aquilon	8	251,733	1,246,756
Other liabilities		151,132	52,660
		652,286	1,549,338
Non-current			
Deferred tax liabilities		1,844,122	1,356,462
Obligation under capital lease	8	168,339	-
Total liabilities		2,664,747	2,905,800
EQUITY			
Share capital	9.1	57,720,289	57,299,039
Contributed surplus		5,388,721	5,234,721
Deficit		(29,024,437)	(27,917,065)
Total equity		34,084,573	34,616,695
Total liabilities and equity		36,749,320	37,522,495

The accompanying notes are an integral part of the interim financial statements.

The interim financial statements were approved and authorized by the Board of Directors on February 27, 2024.

(signed) Dominique Doucet

Dominique Doucet, President

(signed) Luc Cloutier

Luc Cloutier, Director

SIRIOS RESOURCES INC.

Interim Statement of Comprehensive Loss (unaudited)

(in Canadian dollars)

	Three-month period ended		Six-month period ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
EXPENSES				
Salaries and employee benefits expenses	165,805	99,401	345,591	174,178
Professional fees	79,897	51,490	120,963	82,949
Investors and shareholders' relations	44,820	40,287	74,222	70,670
Trustees and registration fees	35,081	34,901	58,501	38,744
Depreciation of right-of-use asset	8,803	-	10,282	-
Office expenses	6,732	2,533	19,180	7,593
Insurances, taxes and permits	4,932	5,642	9,864	11,481
Income taxes of section XII.6	2,780	-	10,631	574
Training	1,006	451	1,420	618
Publicity and sponsorship	847	5,071	6,327	7,591
Bank charges	762	252	1,949	928
Amortization of property and equipment	164	535	4,921	1,733
Rent expenses	-	4,500	8,146	9,000
Project generation expenses	306	-	4,714	-
OPERATIONAL LOSS	351,935	245,063	676,711	406,059
OTHER REVENUES AND EXPENSES				
Finance costs	(19,757)	-	(101,497)	(4,977)
Finance income	30,531	3,632	99,141	3,834
	10,774	3,632	(2,356)	(1,143)
LOSS BEFORE INCOME TAX	(341,161)	(241,431)	(679,067)	(407,202)
Deferred income taxes	111,054	(8,209)	(422,114)	(252,682)
NET LOSS AND COMPREHENSIVE LOSS	(230,107)	(249,640)	(1,101,181)	(659,884)
NET LOSS PER SHARE - basic and diluted	(0.001)	(0.001)	(0.004)	(0.003)

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Notes	Share capital	Contributed surplus	Deficit	Total Equity
		\$	\$	\$	\$
As of July 1st, 2022		55,195,143	5,168,221	(28,134,187)	32,229,177
Net loss and comprehensive loss		-	-	(659,884)	(659,884)
Share-based payments	10.2	-	66,500	-	66,500
Issuance cost of shares (a)		-	-	(105,146)	(105,146)
Issuance of units and shares	9.1	2,103,896	-	-	2,103,896
As of December 31, 2022		57,299,039	5,234,721	(28,899,217)	33,634,543
As of July 1st, 2023		57,299,039	5,234,721	(27,917,065)	34,616,695
Net loss and comprehensive loss		-	-	(1,101,181)	(1,101,181)
Share-based payments	10.2	-	91,500	-	91,500
Issuance cost of shares (b)		-	-	(6,191)	(6,191)
Issuance of units and shares	9.1	421,250	62,500	-	483,750
As of December 31, 2023		57,720,289	5,388,721	(29,024,437)	34,084,573

(a) Net of a deferred tax asset of an amount of \$35,097.

(b) Net of a deferred tax liability of an amount of \$2,232.

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Six-month period ended	
	December 31,	
Notes	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1,101,181)	(659,884)
Adjustments		
Share-based payments	69,000	46,000
Amortization of property and equipment	4,921	1,733
Change in fair value of listed shares	99,023	4,977
Deferred income taxes	422,114	252,682
Depreciation of right-of-use asset	10,282	-
Interest on obligation under capital lease	2,474	-
Changes in working capital items	12 (1,071,087)	(185,608)
Cash flows from (used) in operating activities	(1,564,454)	(540,100)
INVESTING ACTIVITIES		
Tax credits received	639,402	-
Additions to property and equipment	(2,276)	(10,401)
Additions to exploration and evaluation assets	(471,571)	(1,127,808)
Cash flows used in investing activities	165,555	(1,138,209)
FINANCING ACTIVITIES		
Issuance of units and shares	150,000	2,149,364
Issuance cost of shares	(8,423)	(140,699)
Payments on lease obligation	(11,667)	-
Cash flows from financing activities	129,910	2,008,665
NET CHANGE ON CASH	(1,268,989)	330,356
CASH, BEGINNING OF THE PERIOD	2,345,601	375,600
CASH, END OF THE PERIOD	1,076,612	705,956
Supplementary information		
Interest received related to operating activities	25,495	3,833

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

1. NATURE OF OPERATIONS

Since its creation in 1994, Sirios Resources Inc. ("Sirios" or "the Company") goal is to discover world-class gold deposits in the James Bay region, in Quebec.

The Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office and its principal place of business is 1400 Marie-Victorin, Suite 210, Saint-Bruno-de-Montarville, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange, under the symbol "SOI" and on the OTCQB, under the symbol "SIREF".

2. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34 - Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computation outlined in Note 4, SUMMARY OF ACCOUNTING POLICIES, as described in our financial statements for the year ended June 30, 2023. The interim financial statements do not include all of the notes required in annual financial statements.

Standards, amendments and interpretations of standards which are not yet in force and which have not been early adopted by the Company

At the date of authorization of these interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted on the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimations and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimations and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimations and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Impairment of property and equipment

Evaluation facts and circumstances that demonstrate the existence of any indication that an asset may have depreciated or recover in value is a subjective process that involves judgment and often a number of estimates and assumptions.

As of December 31, 2023 and 2022, no impairment was recorded on property and equipment.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditures is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the six-month period ended December 31, 2023 and 2022, there were no impairment. No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required on the Company's properties. The Company has the capacity to keep these properties because it has sufficient funds to respect its short-term obligation. Additionally, claims will not expire in the near future or are expected to be renewed, work was performed during the last three years and/or promising results were obtained on these properties.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of the share options and warrants. The model used by the Company is the Black & Scholes valuation model.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Tax credits

The calculation of the Company's refundable tax credit on qualified exploration expenditures incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

4. TERM DEPOSIT

Term deposit presented in the statement of financial position is redeemable annually, bearing interest at 3.70% (2.70% in 2022), and maturing in June 2028 (in June 2023 on December 31, 2022).

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Exploration camps and equip.	Office furniture	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Gross carrying amount						
Balance on July 1st,						
2023	3,388	35,383	2,391,718	36,683	128,957	2,596,129
Additions	-	-	(6,367)	1,326	950	(4,091)
Balance on December 31,						
2023	3,388	35,383	2,385,351	38,009	129,907	2,592,038
Accumulated amortization						
Balance on July 1st,						
2023	3,388	31,904	2,229,069	36,683	124,200	2,425,244
Amortiz.	-	3,479	96,988	111	4,810	105,388
Balance on December 31,						
2023	3,388	35,383	2,326,057	36,794	129,010	2,530,632
Carrying amount on						
December 31,						
2023	-	-	59,294	1,215	897	61,406

All amortization expenses are presented in *Amortization of property and equipment*, except for *Exploration camp and equipment* and *Vehicles*, where the expense is presented in *Exploration and evaluation assets*.

6. RIGHT-OF-USE ASSET

	Lease
	\$
Balance at beginning	177,532
Depreciation of right-of-use asset	(10,282)
Balance at the end	167,250

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

6. RIGHT-OF-USE ASSET (cont'd)

The Company signed a rental agreement for its head offices on September 15, 2023, and is valid until September 30, 2028. Depreciation of right-of-use asset totals \$10,282 for the six-month period ended December 31, 2023 (\$0 for the six-month period ended December 31, 2022) and is recognized as an expense. Refer to Note 8 for information on the obligation under capital lease.

7. EXPLORATION AND EVALUATION ASSETS

Mining rights

	June 30, 2023	Additions	Option agreement	December 31, 2023
	\$	\$	\$	\$
(a) Aquilon	845,210	-	-	845,210
(b) Cheechoo	1,080,652	-	-	1,080,652
(c) Niska	25,205	-	(25,205)	-
(d) Tilly 2	10,064	-	-	10,064
(e) Maskwa	105,126	4,930	(100,000)	10,056
(f) Li-52	93,500	27,023	(50,000)	70,523
	<u>2,159,757</u>	<u>31,953</u>	<u>(175,205)</u>	<u>2,016,505</u>

Exploration and evaluation expenses

	June 30, 2023	Additions	Option agreement	December 31, 2023
	\$	\$	\$	\$
(a) Aquilon	2,453,114	505	-	2,453,619
(b) Cheechoo	28,937,444	719,042	-	29,656,486
(c) Niska	165,862	-	(24,795)	141,067
(d) Tilly 2	13,292	-	-	13,292
(e) Maskwa	132,028	121,058	-	253,086
(f) Li-52	-	4,132	-	4,132
	<u>31,701,740</u>	<u>844,737</u>	<u>(24,795)</u>	<u>32,521,682</u>
TOTAL	<u>33,861,497</u>	<u>876,690</u>	<u>(200,000)</u>	<u>34,538,187</u>

(a) Aquilon

This 140-claim gold property, owned at 100% by the Company, is located near LA-1 hydro-electric complex in the James Bay area (Qc).

Gold Royalty Corp. retains a 1% NSR royalty, half of which is redeemable for \$500,000.

An investor holds a 0.25% royalty.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd)

In December 2022, the Company signed a property option agreement with Sumitomo Mining Canada Ltd. ("Sumitomo"), pursuant to which has agreed to grant to Sumitomo an option to acquire up to an 80% interest, following an investment totaling \$14.8M on the Aquilon property. Sumitomo can earn an initial 51% interest by incurring an aggregate \$4.6M in mineral exploration expenditures over a period of 3 years. Sirios will be operator during this earn-in period. A firm commitment of \$1.6M will be spent on the property during this earn-in period and Sumitomo reimbursed in January 2023 an amount of \$200,000 to the Company in connection with the repurchase of three-quarters of the royalty from a private investor. Sumitomo can earn an additional 29% interest in the project, for an aggregate of 80%, by incurring an additional aggregate of \$10M in mineral exploration expenditures over a period of 3 additional years. Following the earn-in of an 80% interest, a joint venture will be formed. In the event a joint venture, participant's interest is diluted to below 10%, it will convert its joint venture interest to a net smelter return royalty of 2%.

As of December 31, 2023, an amount of \$251,733, received from Sumitomo, was reserved for exploration work on the Aquilon property.

(b) Cheechoo

The property located 320 km north of Matagami, Eeyou Istchee James Bay in Quebec, was originally composed of two blocks of non-contiguous claims covering an area of 81 km². Its 121-claims main block is adjacent to the east of Newmont Corp.'s Eleonore gold mine. The second block consists of 35 claims and is located about 20 km west of the main block. The 156 claims are 100% held by Sirios with a net return royalty for gold on 145 claims to Gold Royalty Corp., which varies between 2.5% and 4% of the net return depending on the price of gold and 4% net return for all other minerals extracted from the project.

In 2022 and 2023, Sirios added 150 new claims to the property, part of which (40 claims) forms a third blocks not contiguous to the original blocks. The other 110 claims were added to the main block. These 150 new claims are 100% owned by Sirios and are not subject to any royalties.

The property is therefore now composed of three blocks of non-contiguous claims comprising 306 claims for a total area of 157 km².

(c) Niska

The property, owned at 100% by the Company, consists of 150 claims and covers almost 100 km² in James Bay, Quebec.

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

In December 2023, the Company signed an option agreement on Niska with Bullrun Capital Inc. ("Bullrun"), a private investment company. Sirios has agreed to grant Bullrun an option to acquire up to 100% interest in the property, following an investment of \$5M, i.e. \$2.25M in exploration expenses, \$50,000 in cash on closing (received), \$100,000 on or before the first anniversary as well as \$100,000 in cash or in shares. In addition, Sirios will received a payment of \$250,000 either in cash or in shares upon the successful confirmation of drilling results indicating a lithium concentration of 1% or more over a minimum of 25 metres.

If the option is completed, Sirios will retain a 1.5% NSR on the property. In addition, Sirios will keep the right to buy back 100% of the mining rights on the non-critical minerals, which comprise among other metals, gold, silver and PGE (Platinum Group Elements) and tungsten, by paying back to Bullrun its incurred exploration expenditures capped to a maximum of \$2M.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd)

(d) Tilly 2

The property, owned at 100% by the Company, consists of 86 claims in the James Bay area (Qc).

A private investor holds a 0.5% NSR royalty on 76 claims, half of which is redeemable for \$200,000.

(e) Maskwa

The property, owned at 100% by the Company, consists of 418 claims. It is located approximately 100 km southwest of Radisson and approximately 120 km east of Wemindji in the James Bay area (Qc).

A private investor holds a 0.5% NSR royalty on 393 claims, half of which is redeemable for \$200,000.

In December 2023, the Company signed an option agreement on Maskwa with Hertz Lithium Inc. ("Hertz"). Sirios has agreed to grant to Hertz an option to acquire up to 100% interest in the property, following an investment of \$2.55M, i.e. \$2.25M in exploration expenses, \$100,000 in cash on closing (received), \$100,000 on or before the first anniversary as well as \$100,000 in cash or in shares. In addition, Sirios will received a payment of \$250,000 either in cash or in shares upon the successful confirmation of drilling results indicating a lithium concentration of 1% or more over a minimum of 25 metres.

If the option is completed, Sirios will retain a 1.5% NSR on the property. In addition, Sirios will keep the right to buy back 100% of the mining rights on the non-critical minerals, which comprise among other metals, gold, silver and PGE (Platinum Group Elements) and tungsten, by paying back to Hertz its incurred exploration expenditures capped to a maximum of \$2M.

(f) Li-52

The property, owned at 100% by the Company, consists of 706 claims for an area of more than 367 km². It is located approximately 20 km south of the Maskwa property, in the James Bay area (Qc).

In December 2023, the Company signed an option agreement on Li-52 with Bullrun Capital Inc. ("Bullrun"), a private investment company. Sirios has agreed to grant Bullrun an option to acquire up to 100% interest in the property, following an investment of \$5M, i.e. \$2.25M in exploration expenses, \$50,000 in cash on closing (received), \$100,000 on or before the first anniversary as well as \$100,000 in cash or in shares. In addition, Sirios will received a payment of \$250,000 either in cash or in shares upon the successful confirmation of drilling results indicating a lithium concentration of 1% or more over a minimum of 25 metres.

If the option is completed, Sirios will retain a 1.75% NSR on the property. In addition, Sirios will keep the right to buy back 100% of the mining rights on the non-critical minerals, which comprise among other metals, gold, silver and PGE (Platinum Group Elements) and tungsten, by paying back to Bullrun its incurred exploration expenditures capped to a maximum of \$2M.

8. OBLIGATION UNDER CAPITAL LEASE

	December 31, 2023	June 30, 2023
	\$	\$
Balance at beginning	177,532	-
Interest on lease obligation	2,474	-
Payments on lease obligation	(11,667)	-
Balance at the end	<u>168,339</u>	<u>-</u>

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

8. OBLIGATION UNDER CAPITAL LEASE (cont'd)

Maturity analysis - contractual undiscounted cash flow

	December 31, 2023	June 30, 2023
	\$	\$
Less than one year	39,624	-
One to five years	138,684	-
Total undiscounted obligation under capital lease	178,308	-

Total cash outflow for leases for the six-month period ended December 31, 2023 totals \$11,667 (\$0 for the six-month period ended December 31, 2022).

The Company has chosen not to recognize any rental obligation under short-term rental contracts (duration of less than 12 months). Payments made under this lease are recognized on a straight-line basis and totaled \$8,146 for the six-month period ended December 31, 2023 (\$9,000 for the six-month period ended December 31, 2022).

9. EQUITY

9.1 Share capital

The share capital of the Company consists of fully paid common and preferred shares.

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Unlimited preferred shares, issuable in one or several series, composed of the number of shares, rights, liens, conditions and restrictions as determined before issuance by resolutions of directors of the Company, without par value. The preferred shares, serie A, are redeemable at the Company's option at their issuance price, non-voting and not entitled to dividends.

	Number of shares Six-month period ended December 31,	
	2023	2022
Common shares issued and fully paid at beginning	268,331,213	234,456,760
Private placements (a) (b)	800,000	19,588,749
Flow-through private placements (c) (d) (e)	7,625,000	14,285,704
Common shares issued and fully paid at the end	276,756,213	268,331,213
Preferred shares, serie A	100,000	100,000

(a) On July 28, 2022, the Company completed the closing of a private placement for a total of \$1,175,325. It was composed of 19,588,749 unit. The unit, offered at \$0.06, was composed of one common share and one warrant. In total, 19,588,749 shares, as well as 19,588,749 warrants, were issued. Each warrant entitled its holder to subscribe for one common share at \$0.10 per share for a period of twenty-four months. No value was recorded related to warrants.

(b) On November 2, 2023, the Company completed the closing of a private placement for a total of \$40,000. A total of 800,000 shares were issued at \$0.05 per share.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2023 (unaudited)

(in Canadian dollars)

9.1 Share capital (cont'd)

- (c) On December 22, 2022, the Company completed the closing of a flow-through private placement for an amount of \$999,999. It was composed of 14,285,704 flow-through shares at a price of \$0.07 each. An amount of \$928,571 was recorded in share capital and an amount of \$71,428 was recorded as other liabilities in the statement of financial position.
- (d) On November 2, 2023, the Company completed the closing of a flow-through private placement for an amount of \$110,000. It was composed of 1,375,000 flow-through shares at a price of \$0.08 each. An amount of \$68,750 was recorded in share capital and an amount of \$41,250 was recorded as other liabilities in the statement of financial position.
- (e) On December 28, 2023, the Company completed the closing of a flow-through private placement for an amount of \$500,000. It was composed of 6,250,000 units. The unit, offered at \$0.08, was composed of one flow-through share and one warrant. In total, 6,250,000 shares as well as 6,250,000 warrants were issued. Each warrant entitled its holder to subscribe for one common share at \$0.15 per share for a period of twenty-four months. An amount of \$312,500 was recorded in share capital, an amount of \$62,500, related to warrants, was recorded in contributed surplus and an amount of \$125,000 was recorded as other liabilities in the statement of financial position.

9.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of ordinary shares, as follows:

	Six-month period ended December 31, 2023		Year ended June 30, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, beginning	19,588,749	0.10	3,500,000	0.15
Issued	6,250,000	0.15	19,588,749	0.10
Expired	-	-	(3,500,000)	(0.15)
Balance, at the end	25,838,749	0.11	19,588,749	0.10

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Expiration date	December 31, 2023	
	Number of warrants	Exercise price
		\$
July 28, 2024	19,588,749	0.10
December 28, 2025	6,250,000	0.15
	25,838,749	0.11

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10. EMPLOYEE REMUNERATION

10.1 Salaries and employee benefits expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and benefits	267,071	179,088	620,444	404,451
Share-based payments	82,500	66,500	91,500	66,500
	349,571	245,588	711,944	470,951
Less: salaries and share-based payments capitalized in Exploration and evaluation assets	(183,766)	(146,187)	(366,353)	(296,773)
Salaries and employee benefits expenses	165,805	99,401	345,591	174,178

10.2 Share-based payments

The Company has a share-based payments plan for eligible directors, officers, employees, consultant and service suppliers of investors' relations. The most important terms of the plan are as follows:

- i) the maximum number of shares that may be issued under the plan is limited to 10% of the issued shares at the time of the grant of the options, maximum of 27,675,621 on December 31, 2023 (maximum of 26,833,121 on June 30, 2023);
- ii) the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- iii) the maximum number of shares that can be reserved for a consultant during a 12-month period is limited to 2% of issued and outstanding shares;
- iv) the maximum number of shares that can be reserved for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted maybe exercised by steps over a period of 12 months after the grant, at the rate of 25% per quarter;
- v) the options granted to directors, officers, employees and consultants may be exercised entirely at the date of the grant.

The options' term cannot exceed ten years. The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of the grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

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10.2 Share-based payments (cont'd)

The Company's share options are as follows for the period presented:

	Six-month period ended December 31, 2023		Year ended June 30, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding and exercisable, at beginning	14,375,000	0.13	13,825,000	0.18
Granted	3,050,000	0.05	3,325,000	0.07
Expired	(1,925,000)	(0.22)	(2,775,000)	(0.27)
Outstanding and exercisable, at the end	15,500,000	0.11	14,375,000	0.13

On July 27, 2023, the Board of Directors of the Company granted 300,000 options under its stock option incentive plan to a new director, at an exercise price of \$0.07. The options expire five years from the date of grant.

On December 18, 2023, the Board of Directors of the Company granted 2,750,000 options under its stock option incentive plan to employees, directors, officers and consultants, at an exercise price of \$0.05. The options expire five years from the date of grant.

The weighted average fair value of stock options granted is \$0.03 (\$0.02 for the period ended December 31, 2022) and was estimated using the Black & Scholes model and based on the following weighted average assumptions:

	2023	2022
Share price at the date of issuing	\$0.05	\$0.05
Expected dividend yield	0 %	0 %
Expected weighted volatility	70 %	60 %
Expected interest average rate	3.83 %	3.40 %
Expected average life	5 years	5 years
Average exercise price at the date of grant	\$0.05	\$0.07

The underlying expected volatility was determined by reference to historical date of the Company's share over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

The table below summarizes the information related to outstanding share options:

Range of exercise price	December 31, 2023	
	Number of options	Weighted average remaining contractual life (years)
From \$0 to \$0.15	12,075,000	3.49
From \$0.16 to \$0.30	3,425,000	0.89
	15,500,000	

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10.2 Share-based payments (cont'd)

In total, \$91,500 of share-based payments (all of which related to equity-settled share-based payment transactions) was recorded (\$69,000 in profit or loss as salaries and employee benefits expenses and \$22,500 capitalized in exploration and evaluation assets) for the six-month period ended December 31, 2023 (\$46,000 in profit or loss as salaries and employee benefits expenses and \$20,500 capitalized in exploration and evaluation assets for the six-month period ended December 31, 2022) and credited to contributed surplus.

11. FINANCE COSTS AND INCOME

Finance costs can be analyzed as follow for the reporting periods presented:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Change in fair value of listed shares	(17,659)	-	(99,023)	(4,977)
Interest on lease obligation	(2,098)	-	(2,474)	-
	(19,757)	-	(101,497)	(4,977)

Finance income can be analyzed as follow for the reporting periods presented:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Interests income from cash	6,121	1,018	25,495	3,834
Management revenues	24,410	-	73,646	-
Change in fair value of listed shares	-	2,614	-	-
	30,531	3,632	99,141	3,834

12. LOSS PER SHARE

The weighted average number of common shares outstanding is as follows:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2023	2022	2023	2022
Basic	270,021,430	255,598,303	269,176,322	251,947,470
Effect of stock options	-	-	-	-
Effect of warrants	-	-	-	-
Diluted	270,021,430	255,598,303	269,176,322	251,947,470

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12. LOSS PER SHARE (cont'd)

The options and warrants that are anti-dilutive and excluded from the calculation of the weighted average diluted common stock are as follows:

	Six-month period ended December 31,	
	2023	2022
Anti-dilutive stock options	15,500,000	14,875,000
Anti-dilutive warrants	25,838,749	23,088,749
	41,338,749	37,963,749

13. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Six-month period ended December 31,	
	2023	2022
	\$	\$
Good and services tax receivable	(71,030)	34,627
Prepaid expenses	71,977	22,797
Trade and other payables	(77,011)	(243,032)
Amounts received in advance upon option agreement on Aquilon	(995,023)	-
	(1,071,087)	(185,608)

Non-monetary operations in the statement of financial position are as follows:

	Six-month period ended December 31,	
	2023	2022
	\$	\$
Trades related to exploration and evaluation assets	76,510	38,405
Amortization of property and equipment included in exploration and evaluation assets	102,056	276,031
Share-based payments included in exploration and evaluation assets	22,500	20,500
Subscriptions receivable included in share capital	500,000	25,960

14. RELATED PARTY TRANSACTIONS

The Company's related parties includes its key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

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14.1 Transactions with key management personnel

The remuneration of the Company's key management personnel and members of the Board of Directors includes the following expenses:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and benefits	78,808	51,194	233,823	112,735
Share-based payments	52,500	35,500	61,500	35,500
Total remuneration	131,308	86,694	295,323	148,235

For the six-month period ended December 31, 2023, an amount of \$28,201 of salaries and benefits expenses was recorded in Exploration and evaluation assets (\$28,806 for the six-month period ended December 31, 2022).

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work. See all details in Notes 9.1 and 16.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

16. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placement;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in the regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

As of December 31, 2023, the product of unspent funding related to flow-through financings totals \$569,689 (\$982,969 on December 31, 2022).