AMERICAN POTASH CORP.

Consolidated Financial Statements

For the Years Ended July 31, 2024 and 2023
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of American Potash Corp.

Opinion

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

In our opinion, the accompanying 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions, along with other matters that 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 report.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 identified above 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 International Financial Reporting 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 consolidated financial statements of the current period 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 Heather McGhie.

Yours truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 28 2024

AMERICAN POTASH CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	July 31, 2024	July 31, 2023
ASSETS		**$**	**$**
Current			
Cash		3,348	234,997
Prepaid expenses		27,672	262,200
Receivables	**4**	3,416	9,397
Total current assets		34,436	506,594
Non-current assets			
Deposits	**5**	462,287	427,885
Exploration and evaluation assets	**5**	606,503	-
Total non-current assets		1,068,790	427,885
Total assets		1,103,226	934,479
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**6, 8**	298,741	89,364
Total liabilities		298,741	89,364
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital	**7**	12,056,854	11,638,258
Share-based payment reserve	**7**	1,710,773	1,710,773
Warrant reserve	**7**	1,096,156	965,452
Foreign translation reserve	**7**	362,064	352,982
Accumulated deficit		(14,421,362)	(13,822,350)
Total equity		804,485	845,115
Total liabilities and equity		1,103,226	934,479

Nature of operations and going concern – Note 1
Commitments – Note 9
Subsequent events – Note 14

On behalf of the board:

"Dean Besserer"   *"Simon Clarke"*

Dean Besserer   Simon Clarke

AMERICAN POTASH CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	July 31, 2024	July 31, 2023
		$	$
General and administrative expenses			
Exploration expenditures	**5, 8**	13,748	19,609
Foreign exchange (gain) loss		(17,326)	11,021
Interest expense and bank charges		12,392	14,329
Investor relations, website and marketing		331,505	18,670
Management fees	**8**	156,250	77,500
Office and administration		862	3,898
Professional fees		80,094	134,404
Share-based payments		-	179,597
Transfer agent and filing fees		33,131	33,861
Travel and entertainment		2,319	2,684
		(612,975)	(495,573)
Other income (expenses)			
Other income	**5**	-	107,967
Interest income	**5**	13,963	182
Impairment of exploration and evaluation assets	**5**	-	(1,018,618)
Net loss		(599,012)	(1,406,042)
Other comprehensive income			
Foreign currency translation		9,082	38,437
Total comprehensive loss		(589,930)	(1,367,605)
Loss per share, basic and diluted		(0.01)	(0.02)
Weighted average common shares outstanding - basic and diluted		98,646,602	71,555,194

The accompanying notes are an integral part of these consolidated financial statements.

AMERICAN POTASH CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	July 31, 2024	July 31, 2023
	$	$
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(599,012)	(1,406,042)
Non-cash items:		
Interest expense	-	2,400
Share-based payments	-	179,597
Impairment of exploration and evaluation assets	-	1,018,618
Unrealized foreign exchange gain	(20,501)	-
Changes in non-cash working capital:		
GST receivable and accounts receivable	5,981	19,665
Prepaid expenses	234,528	(230,944)
Accounts payable and accrued liabilities	184,052	21,485
	(194,952)	(395,221)
Investing activities:		
Exploration and evaluation assets	(571,691)	(19,727)
Reclamation deposit	(13,901)	(427,885)
	(585,592)	(447,612)
Financing activities:		
Proceeds from promissory notes	-	120,000
Repayment of promissory notes	-	(80,000)
Shares issued for cash (net of share issue costs)	489,300	947,200
Warrants exercised	60,000	-
	549,300	987,200
Effect of exchange rate changes	(405)	(859)
Net change in cash	(231,649)	143,508
Cash, beginning of year	234,997	91,489
Cash, end of year	3,348	234,997
Non-cash transaction		
Mineral property expenditures included in accounts payable	25,325	-
Shares issued for debt settlement	-	42,400

AMERICAN POTASH CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Notes	Common Shares: Number of Shares	Common Shares: Amount	Share-based Payment Reserve	Warrant Reserve	Foreign Translation Reserve	Accumulated Deficit	Total Equity
			$	$	$	$	$	$
Balance on July 31, 2022		**69,714,449**	**10,695,095**	**1,531,176**	**919,015**	**314,545**	**(12,416,308)**	**1,043,523**
Shares issued for private placement	**7**	20,000,000	1,000,000	-	-	-	-	1,000,000
Share issue costs	**7**	-	(99,237)	-	46,437	-	-	(52,800)
Shares issued for settlement of debt	**7**	848,000	42,400	-	-	-	-	42,400
Share-based payments	**7**	-	-	179,597	-	-	-	179,597
Net loss for the year		-	-	-	-	-	(1,406,042)	(1,406,042)
Foreign currency translation		-	-	-	-	38,437	-	38,437
Balance on July 31, 2023		**90,562,449**	**11,638,258**	**1,710,773**	**965,452**	**352,982**	**(13,822,350)**	**845,115**
Exercise of warrants	**7**	800,000	60,000	-	-	-	-	60,000
Shares issued for private placement	**7**	10,800,000	432,000	-	108,000	-	-	540,000
Share issue costs	**7**	-	(73,404)	-	22,704	-	-	(50,700)
Net loss for the year		-	-	-	-	-	(599,012)	(599,012)
Foreign currency translation		-	-	-	-	9,082	-	9,082
Balance on July 31, 2024		**102,162,449**	**12,056,854**	**1,710,773**	**1,096,156**	**362,064**	**(14,421,362)**	**804,485**

1. NATURE OF OPERATIONS AND GOING CONCERN

American Potash Corp. (the "Company" or "American Potash") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 5, 2006.

The Company's principal activities include the acquisition and development of potash, lithium and bromine mineral deposits in the United States. American Potash is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "KCL".

The Company's head office and registered and records office is Suite 1100 – 1199 West Hastings Street, Vancouver, BC V6E 3T5.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at July 31, 2024, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operational cash flow. The Company's continuation as a going concern is dependent upon the successful results from its mineral properties exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months through private placements of its common shares.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance and functional currency

These consolidated financial statements have been presented in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

These consolidated financial statements are presented in Canadian dollars which is the parent company's functional currency. The functional currency of the Company's subsidiaries is the US dollar.

2. BASIS OF PREPARATION (continued)

Details of controlled entities are as follows:

	Country of Incorporation	Percentage Owned	Principal Activity
American Potash LLC	United States	100%	Mineral exploration
NTM Minerales SA de CV	Mexico	100%	Mineral exploration
Sweetwater Resources LLC	United States	100%	Prospecting permit applications

The accounts of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These consolidated financial statements were approved by the Board of Directors on November 28, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared using the following accounting policies:

Financial Instruments

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Cash and deposits are classified as FVTPL. Accounts payable is classified as amortized cost.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in profit and loss.

b) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

Foreign currency translation

The functional currency and the presentation currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries is the US dollar. The functional currency is the currency of the primary economic environment in which each of the entities operate.

Entities whose functional currency differ from the functional currency of the Company are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the reporting period. All resulting changes are recognized in other comprehensive income and accumulated in foreign translation reserve.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are recognized in profit and loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit and loss. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production of proceeds of disposition.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration costs is not expected to be recovered, it is charged to the results of operations.

Decommissioning and rehabilitation liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

The increase in the restoration provision due to the passage of time is recognized as interest expense. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the consolidated statement of loss and comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets. The Company did not have any decommissioning and restoration obligations at July 31, 2024 and 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of long-lived assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement loss and comprehensive loss.

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. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the consolidated financial statements and are disclosed in the notes to the consolidated financial statements unless their occurrence is remote. Contingent assets are not recognized in the consolidated financial statements, but are disclosed in the notes to the consolidated financial statements when there is a transfer of resources or obligations between related parties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments

The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in share-based payment reserve. 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.

For employees, the fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account 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.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the options granted at the date the Company receives the goods or the services using the Black-Scholes Option Pricing Model.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated in the transaction. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any value attributed to the warrants is recorded in the warrant reserve.

Financing costs

The costs related to equity transactions are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are expensed in the consolidated statement of comprehensive loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding shares for the period. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

Income taxes

Income taxes comprises both current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the income tax is also recognized in other comprehensive income or directly in equity.

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

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, no net asset is recognized. No potential income tax assets of the Company have been recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Critical judgments in applying accounting policies

The critical judgments that the Company’s management has made in the process of applying the Company’s accounting policies with the most significant effect on the amounts recognized in the Company’s consolidated financial statements are as follows:

a) **Going concern**
In preparing these consolidated financial statements on a going concern basis, as is disclosed in Note 1 of these consolidated financial statements, Management’s critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Critical judgments in applying accounting policies (continued)

b) Impairment of mineral properties

Expenditures on mineral properties are capitalized. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

c) Functional currency

The functional currency for each of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment of an entity and this is re-evaluated for each new entity following an acquisition, or if events and conditions change.

Key sources of estimation uncertainty

The preparation of consolidated financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

a) Deferred income taxes

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Key sources of estimation uncertainty (continued)

b) Share-based payments

Share-based payments are determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant and are expensed to the statement of comprehensive loss over each award's vesting period. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility, expected life of the option, risk free interest rates, and forfeiture rates. Changes in these input assumptions can significantly affect the fair value estimate.

Accounting standards issued but not yet effective

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

4. RECEIVABLES

	July 31, 2024	July 31, 2023
	$	$
Sales tax receivable	3,188	9,215
Interest receivable (Note 5)	228	182
	3,416	9,397

5. EXPLORATION AND EVALUATION ASSETS

Green River Potash and Lithium Project

The Company's Green River Potash and Lithium Project is made up of the Paradox Basin Potash Permit Project and the Paradox Basin Brine and Potash Project. The Company holds a 100% interest in eleven Potash and Lithium State of Utah mineral leases, and 1,094 federal lithium brine claims.

<u>Paradox Basin Potash Permit Project</u>

In May 2009, and amended on November 2, 2010, December 6, 2011, January 28, 2014, February 23, 2015 and November 4, 2015, American Potash entered into an option agreement (the "Sweetwater Option") to acquire applications to the United States Bureau of Land Management ("BLM") in respect of certain Utah permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah. On July 26, 2019, the Company satisfied all conditions of the Sweetwater Option. A former director of the Company was a party to the Sweetwater Option.

On January 18, 2023, the Company received tentative approval from the Utah Division of Oil Gas and Mining on applications for permits to drill exploratory wells on three of its eleven 100% owned Potash and Lithium State mineral leases. On October 2, 2023, the Company received final approval from the Utah Division of Oil Gas and Mining for these three exploratory wells.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Paradox Basin Potash Permit Project (continued)

Subsequent to July 31, 2024, the Company received approval from the United States Department of Interior, Bureau of Land Management ("BLM") for the Company's Plan of Operations which includes the issuance of eleven prospecting permits and tentative approval for four additional exploratory wells.

Paradox Basin Potash Permit Project Expenditures

	Year ended July 31, 2024	Year ended July 31, 2023
Exploration and evaluation expenditures:	$	$
Balance, beginning	-	-
Federal permit	355,144	-
General administration	14,278	-
Staking	111,219	-
Foreign exchange translation	7,638	-
Balance, ending	488,279	-

During the year ended July 31, 2024, the Company made payments totaling $13,748 (2023 - $10,569) for permit applications which were expensed.

Paradox Basin Brine and Potash Project

On December 17, 2021, the Company's wholly owned subsidiary, American Potash LLC (the "Subsidiary"), entered into an option agreement (the "Option Agreement") with LiK Resources, LLC (the "Optionee") pursuant to which the Optionee was granted the right to earn up to a 100% interest in its Utah state leases for potash and mineral salts minerals along with 128 federal placer claims recently acquired by the Subsidiary (the "Project").

On April 14, 2023, the Company entered into a new option agreement with the Optionee which replaced the previous option agreement on December 17, 2021. Under the terms of the Option Agreement, to earn a 70% interest in the Project, the Optionee had to make a cash payment of USD$150,000 (paid) and advance USD$3 million to the Company by April 28, 2023. The Optionee also had to complete two separate Pre-Feasibility Studies by December 31, 2024 and commission a valuation of the Project by an independent, mutually agreed upon third-party, to be delivered 90 days from the completion date of the Pre-Feasibility Studies. In the event the Optionee was a publicly traded company with a market capitalization of over USD$100 million at the time of delivering the pre-feasibility study, the Optionee had to issue USD$1 million worth of its common shares to the Subsidiary within 45 days of completing the pre-feasibility and the valuation of the Project.

On May 8, 2023, the Company terminated the Option Agreement with the Optionee as the Optionee did not meet its obligations to advance USD$3 million to the Company by the April 28, 2023.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Paradox Basin Brine and Potash Project (continued)

The USD$150,000 option payment received during the year ended July 31, 2023 net of finders' fees of USD$9,000 has been included as a credit to the exploration and evaluation asset. The net option payment received exceeded lease and placer claims by $107,967, which has been reported as other income in the consolidated statement of loss and comprehensive loss.

Paradox Basin Brine and Potash Project Expenditures

	Year ended July 31, 2024	Year ended July 31, 2023
Exploration and evaluation expenditures:	$	$
Balance, beginning	-	-
Federal permit	116,375	81,240
Option Agreement payment applied to claim fees	-	(81,240)
Foreign exchange translation	1,849	-
Balance, ending	118,224	-

Reclamation Deposit

As at July 31, 2024, the Company had an irrevocable letter of credit in the amount of $462,287 (USD$334,788) (July 31, 2023 - $427,885 (USD$324,722)) for future environmental remediation costs. The reclamation deposit consisted of an interest-bearing guaranteed investment certificate that secures a stand-by letter of credit with State of Utah, Division of Oil, Gas and Mining. The guaranteed investment certificate matures on July 25, 2025, and bears interest at 3%. As at July 31, 2024, interest receivable of $228 (July 31, 2023 - $182) was included in receivables (Note 4). During the year ended July 31, 2024, the Company recognized interest income from the reclamation deposit of $13,963 (2023 - $182).

La Escondida Silver-Gold Project

On December 21, 2020, the Company entered into a formal agreement (the "Definitive Agreement") to acquire a 100% interest in the La Escondida Silver-Gold project, Sonora, Mexico (the "La Escondida Project"). A private syndicate comprised of three individuals (the "Syndicate") currently has the right to acquire the La Escondida Project pursuant to the terms of an underlying agreement (the "Underlying Agreement") with the owners of the two concessions which comprise the La Escondida Project.

Pursuant to the Definitive Agreement, the private syndicate would have assigned its rights to the underlying agreement to the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV, in exchange for the issuance of 3,000,000 common shares to the Syndicate (being 1,000,000 common shares each). 1,500,000 common shares were issued following approval of the Canadian Securities Exchange in February 2021 and the remaining 1,500,000 common shares were issued on February 11, 2022. Two members of the syndicate would have retained a 2% Net Smelter Return (NSR) royalty, half of which may be purchased by the Company for USD$1,000,000. The Underlying Agreement required staged option payments totaling USD$450,000 over a three-year period and assumption of all annual tax obligations.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

La Escondida Silver-Gold Project (continued)

On March 16, 2023, the Company elected to terminate the option agreement on the La Escondida Project. Therefore, during the year ended July 31, 2023, the Company wrote off the La Escondida Project from $1,018,618 to $nil.

La Escondida Silver-Gold Project Expenditures

	Year ended July 31, 2024	Year ended July 31, 2023
Mineral acquisition costs:	$	$
Balance, beginning	-	383,137
Acquisition of claims	-	13,393
Impairment	-	(396,530)
Balance, ending	-	-
Exploration and evaluation expenditures:		
Balance, beginning	-	576,458
General administration	-	5,110
Value-added tax receivable	-	1,224
Foreign exchange translation	-	39,296
Impairment	-	(622,088)
Balance, ending	-	-
Total	-	-

La Tortuga Silver Project

On January 25, 2021, the Company entered into a non-binding letter of intent ("LOI") to acquire a 100% interest in the La Tortuga mineral concession. The Company was required to issue 2,250,000 common shares to the assignors of the Assignment Agreement. The assignors would have retained a 2% Net Smelter Return Royalty, half of which may have been purchased by the Company for USD$1,000,000. On July 9, 2021, the Company entered into an Assignment Agreement for the right to acquire 100% interest in the mining concession.

The purchase price of the La Tortuga mineral concession was USD$215,000 as outlined in the Assignment Agreement. On March 16, 2023, the Company elected to terminate the Assignment Agreement for the La Tortuga mineral concession as the Company could not confirm validity of the title.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2024	July 31, 2023
	$	$
Accounts payable (Note 8)	222,991	57,364
Accrued liabilities (Note 8)	75,750	32,000
	298,741	89,364

7. SHARE CAPITAL

a) Authorized

Unlimited common shares with no par value.

b) Issued and outstanding

As at July 31, 2024, there were 102,162,449 (July 31, 2023 – 90,562,449) issued and fully paid common shares.

c) Common shares

Year ended July 31, 2024

On November 23, 2023, the Company closed a non-brokered private placement resulting in the issuance of 10,800,000 units (the "Units") at a price of $0.05 per Unit for total gross proceeds of $540,000. Each Unit consists of one common share (a "Common Share") and one transferable common share purchase warrant exercisable at a price of $0.075 until November 23, 2026 (a "Warrant"). Within the Unit, a value of $432,000 was attributed to the Common Shares and $108,000 to the Warrants using the residual value method.

The Company paid a finder's fee of 8% consisting of a cash payment of $37,600 and the issuance of 752,000 Broker's Warrants with a fair value of $22,704 and having the same terms as the Warrants. The Company incurred $13,100 in transaction costs in connection with the private placement.

During the year ended July 31, 2024, the Company issued 800,000 common shares related to the exercise of 800,000 warrants at an exercise price of $0.075 per share. The weighted average share price on the date of exercise was $0.045 per share.

Year ended July 31, 2023

On June 28, 2023, the Company issued 20,000,000 Units at a price of $0.05 per Unit for total gross proceeds of $1,000,000 in a non-brokered private placement. Each Unit consists of one Common Share and one-half of one non-transferable Common Share purchase warrant. Each whole Warrant is exercisable for one additional Common Share at an exercise price of $0.10 until June 28, 2026.

The Company paid a 6% finder's fee to Haywood Securities Inc. ("Haywood") and Canaccord Genuity Corp. ("Canaccord") in connection with proceeds raised by the Company from investors introduced to the Company by each of Haywood and Canaccord, consisting of cash amounts of $46,800 and $6,000, respectively, and non-transferable broker warrants (each a "Broker's Warrant") in the amounts of 936,000 and 120,000, respectively. Each Broker's Warrant has the same terms as the Warrants.

On July 17, 2023, the Company issued 848,000 shares with a fair value of $42,400 to settle a promissory note and accrued interest.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

d) Basic and diluted loss per share

Diluted loss per share for the year ended July 31, 2024 did not include the effect of 3,650,000 (2023 – 5,200,000) stock options and 44,152,000 (2023 – 51,326,666) warrants as the effect would be anti-dilutive.

e) Stock options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be lower than the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

On January 10, 2023, the Company issued stock options to a consultant that will be exercisable to acquire 250,000 common shares at $0.075 per share for a period of five years, vesting immediately, with a fair value of $19,368. The weighted average fair value per option was $0.077. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate – 3.23%, expected dividend yield – 0%, and average expected stock price volatility – 188%.

On February 15, 2023, the Company issued stock options to directors and officers of the Company that will be exercisable to acquire 1,600,000 common shares at $0.10 per share for a period of five years, vesting immediately, with a fair value of $131,291. The weighted average fair value per option was $0.082. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate – 3.43%, expected dividend yield – 0%, and average expected stock price volatility – 189%.

On May 10, 2023, the Company issued stock options to a director of the Company that will be exercisable to acquire 500,000 common shares at $0.075 per share for a period of five years, vesting immediately, with a fair value of $28,938. The weighted average fair value per option was $0.058. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 5 years, average risk-free interest rate – 2.99%, expected dividend yield – 0%, and average expected stock price volatility – 190%.

The continuity of exercisable stock options for the years ended July 31, 2024 and 2023 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2022	3,000,000	0.09
Options forfeited	(150,000)	0.08
Options granted	2,350,000	0.09
Balance, July 31, 2023	5,200,000	0.09
Options forfeited	(250,000)	0.075
Options expired	(1,300,000)	0.10
Balance, July 31, 2024	3,650,000	0.09

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

e) Stock options (continued)

Details of options outstanding and exercisable at July 31, 2024 are as follows:

Number of Options Outstanding	Exercise Price ($)	Remaining Contractual Life (Years)
500,000 [(1)]	0.075	0.15
600,000 [(1)]	0.10	0.15
800,000	0.075	2.16
250,000	0.075	3.45
1,000,000	0.10	3.55
500,000	0.075	3.78
3,650,000		

(1) Expired unexercised subsequent to July 31, 2024

The weighted average life of stock options outstanding at July 31, 2024 was 2.25 years.

f) Share purchase warrants

The continuity of warrants for the years ended July 31, 2024 and 2023 is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price ($)
Balance, July 31, 2022	43,370,666	0.08
Warrants issued	11,056,000	0.10
Warrants expired	(3,100,000)	0.10
Balance, July 31, 2023	51,326,666	0.08
Warrants issued	11,552,000	0.075
Warrants exercised	(800,000)	0.075
Warrants expired	(17,926,666)	0.08
Balance, July 31, 2024	44,152,000	0.08

On June 28, 2023, the Company issued 1,056,000 Broker's Warrants, with a fair value of $46,437. Each Broker's Warrant entitles the holder to acquire one common share at a price of $0.10 per share until June 28, 2026. The weighted average fair value per warrant was $0.044. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life - 3 years, average risk-free interest rate - 4.13%, expected dividend yield - 0%, and average expected stock price volatility - 162%, resulting in a charge of $46,437 as non-cash share issue costs for the year ended July 31, 2023.

On July 10, 2023, the Company amended the expiry date of 12,800,000 outstanding common share purchase warrants issued on September 8, 2020 and exercisable for one common share at an exercise price of $0.075. The warrants were set to expire on September 8, 2023. Under the terms of the amendment, the expiry date for the warrants has been extended to December 8, 2023. As these warrants were issued as part of a Unit, there was no amount recognized as a result of the modification.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

f) Share purchase warrants (continued)

On November 23, 2023, the Company issued 752,000 Broker's Warrants, with a fair value of $22,704. Each Broker's Warrant entitles the holder to acquire one common share at a price of $0.075 per share until November 23, 2026. The weighted average fair value per warrant was $0.03. The fair value was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 3 years, average risk-free interest rate – 4.26%, expected dividend yield - 0%, and average expected stock price volatility - 150%, resulting in a charge of $22,704 as non-cash share issue costs for the year ended July 31, 2024.

Details of warrants outstanding as at July 31, 2024 are as follows:

Number of Warrants Outstanding	Exercise Price ($)	Remaining Contractual Life (Years)
21,544,000 [1]	$0.075	0.11
11,056,000	$0.10	1.91
11,552,000	$0.075	2.32
44,152,000		

(1) Expired unexercised subsequent to July 31, 2024

The weighted average life of warrants outstanding at July 31, 2024 was 1.14 years.

g) Share-based payment reserve

The share-based payment reserve records items recognized as share-based payment expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

h) Warrant reserve

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

i) Foreign currency translation reserve

The translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with Key Management including companies that are controlled by them:

	Years ended July 31, 2024	2023
	$	$
Management fees	156,250	77,500
Exploration and evaluation expenditures	7,203	160,229
	163,453	237,729

Accounts payable and accrued liabilities as at July 31, 2024 include $45,262 (July 31, 2023 - $nil) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Management fees were paid directly to the former President and CEO and to a company owned by the former President and CEO for management services.

Exploration and evaluation expenditures were paid to a company owned by a director of the Company.

Key Management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to Key Management for employee services for the reported periods.

9. COMMITMENTS

On June 7, 2018, the Company entered into an agreement with the former President and CEO, Jon George, to provide management/consulting services to the Company at a rate of $5,000 per month for a period of six months, automatically renewing at the end of each period. On December 14, 2022, the Company entered a new agreement, at a rate of $7,500 per month for a period of twelve months, automatically renewing at the end of each period. The agreement had a termination and change of control clause whereby he was entitled to the equivalent of 12 months his monthly management fee within 30 days. On January 26, 2024, the Company entered into a Termination of Management Services Agreement with the former President and CEO which contains termination fees payable upon resignation of $60,000. Subsequent to July 31, 2024, the Company paid the termination fees payable upon resignation of the former President and CEO.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The risk is assessed as low.

b) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company operates in Canada, US, and Mexico and a portion of the Company's expenses are incurred in Canadian dollars ("CAD"), US dollars ("USD"), and Mexican Pesos ("MXN"). A significant change in the currency exchange rates between the Canadian, US and Mexican currencies, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into financial instruments to hedge against this risk.

The following is an analysis of Canadian Dollar equivalent of financial assets and liabilities that are denominated in USD and MXN:

	July 31, 2024	July 31, 2023
	$	$
Cash	2,411	4,181
Prepaid expenses	27,672	162,659
Accounts payable and accrued liabilities	(55,972)	(13,177)
	(25,889)	153,663

Based on the above net exposures, as at July 31, 2024, a 10% change against the Canadian Dollar would impact the Company's net income by $2,589 (July 31, 2023 - $15,366).

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities have contractual maturities of less than three months. Liquidity risk is assessed as high.

d) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

e) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company does not hold any financial liabilities with variable interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered immaterial.

f) Fair Values

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified in one of the following three fair value hierarchy levels:

- 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.

Cash and deposits are measured using level 1 inputs.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any significant revenues since its inception; therefore, the Company is dependent on external financing to fund its future intended business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of mineral property assets. Geographic segment information of the Company's non-current assets as at July 31, 2024 and July 31, 2023 is as follows:

Non-current assets	July 31, 2024	July 31, 2023
	$	$
United States	1,068,790	427,885
	1,068,790	427,885

13. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended July 31, 2024	Year ended July 31, 2023
	$	$
Net loss before tax	(599,012)	(1,406,042)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(161,733)	(379,631)
Non-deductible items	(42,865)	320,337
Foreign tax rate difference	(8,644)	(34,285)
Change in deferred tax asset not recognized	213,242	93,579
Income tax expense	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	July 31, 2024	July 31, 2023
	$	$
Non-capital loss carry-forwards – Canada	1,586,603	1,414,480
Net operating loss carry-forwards – US	252,335	229,180
Loss carry-forwards – Mexico	16,638	16,410
Mineral properties	895,949	874,817
Other	53,262	56,658
	2,804,787	2,591,545

(Expressed in Canadian Dollars)

13. INCOME TAXES (continued)

The Company has net operating loss carry forwards which may be carried forward to apply against future year income tax for Canadian, US, and Mexican income tax purposes subject to the final determination by taxation authorities, expiring in the following years:

	Canadian non-capital losses	US net operating losses	Mexican losses
	$	$	$
2027	45,358	-	-
2028	2,780	-	-
2029	189,804	-	-
2030	71,222	-	-
2031	68,791	-	14,231
2032	304,089	-	23,022
2033	606,596	3,570	17,446
2034	635,090	139,421	-
2035	461,410	81,682	-
2036	158,044	44,175	-
2037	238,300	-	-
2038	1,091,536	-	-
2039	430,169	-	-
2040	207,154	-	-
2041	194,140	-	-
2042	202,955	-	-
2043	322,748	-	-
2044	646,121		
No expiry	-	933,642	-
	5,876,307	1,202,490	54,699

14. SUBSEQUENT EVENTS

a) On August 23, 2024, the Company closed the first tranche of a non-brokered private placement. The Company issued 16,160,000 units at a price of $0.05 per Unit for gross proceeds of $808,000. Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable at a price of $0.10 until August 23, 2026. The Company paid a finder's fee of 7% consisting of a cash payment of $50,960 and issuance of 1,019,200 broker's warrants having the same terms as the common share purchase warrants.

b) On August 27, 2024, the Company granted an aggregate of 5,600,000 incentive stock options to certain of its directors, officers and consultants. The Options vest over a period of one year and each stock option is exercisable to acquire one common share at $0.05 for a period of 5 years from the date of grant. On September 9, 2024, 450,000 of these options were cancelled.

c) On August 27, 2024, the Company issued 1,000,000 common shares at a price of $0.05 per common share to settle outstanding debt in the amount of $50,000.

d) On September 16, 2024, the Company closed the second and final tranche of a non-brokered private placement. The Company issued 4,300,000 units at a price of $0.05 per Unit for gross proceeds of $215,000. Each Unit consisted of one common share of the Company and one common share purchase warrant exercisable at a price of $0.10 until September 16, 2026.

e) On October 2, 2024, , the Company received approval from the United States Department of Interior, Bureau of Land Management ("BLM") for the Company's Plan of Operations which includes the issuance of eleven prospecting permits and tentative approval for four additional exploratory wells.

f) On October 16, 2024, the Company granted an aggregate of 1,550,000 incentive stock options to certain of its directors, officers and consultants. The options vest over a period of one year and each stock option is exercisable to acquire one common share at $0.085 for a period of 5 years from the date of grant. The Company also granted an aggregate of 1,700,000 restricted share units ("RSUs") to certain of its directors, officers and consultants. The RSUs vest and convert into an equivalent number of common shares after thirty-six months, subject to accelerated vesting in the event the closing price of the common shares of the Company is $0.35 or greater at any time, or upon the occurrence of a change of control event for the Company.

g) On November 12, 2024, the Company granted an aggregate of 700,000 RSUs to certain of its consultants. The RSUs vest and convert into an equivalent number of common shares after thirty-six months, subject to accelerated vesting in the event the closing price of the common shares of the Company is $0.35 or greater at any time, or upon the occurrence of a change of control event for the Company.