FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended May 31, 2024 and 2023

(Expressed in Canadian dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Note	May 31, 2024 $	November 30, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	3	1,905,278	2,331,534
Receivables		57,884	38,085
Prepaid expenses and deposits		47,289	84,409
Total current assets		2,010,451	2,454,028
Non-current assets			
Advances for exploration and evaluation activities		2,099	2,099
Property, plant and equipment	4	20,744	38,801
Reclamation bond	5	116,460	115,990
Exploration and evaluation assets	5	25,923,488	25,735,237
		26,062,791	25,892,127
TOTAL ASSETS		28,073,242	28,346,155
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6,7	396,115	108,390
Current portion of lease payable	8	-	33,688
Warrant liabilities	9	913,104	1,299,173
Total current liabilities		1,309,219	1,441,251
SHAREHOLDERS' EQUITY			
Share capital	9	36,313,958	36,313,958
Reserves	9	2,586,981	4,245,090
Deficit		(12,136,916)	(13,654,144)
Total Shareholders' Equity		26,764,023	26,904,904
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,073,242	28,346,155

Approved by the Board of Directors on July 23, 2024:

"Simon Marcotte"	*"Victor Cantore"*
Simon Marcotte, Director	Victor Cantore, Director

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

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended		Six months ended	
	Note	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
				$	$
EXPENSES					
Bank charges		436	439	860	1,346
Consulting	7	198,750	251,250	415,651	519,562
General and administrative		18,148	21,071	40,842	50,328
Marketing fees		15,930	1,800	31,859	16,354
Professional fees		5,293	12,446	48,508	71,483
Regulatory and filing fees		13,220	20,152	36,071	49,464
Share-based compensation	7,9	-	-	-	451,152
Net loss before other items		(251,777)	(307,158)	(573,791)	(1,159,689)
Other items					
Fair value gain (loss) on liability warrants	9	(264,091)	574	386,069	(9,087)
Interest on lease payable	8	-	(1,545)	-	(3,454)
Interest income		21,506	41,349	42,226	68,923
Foreign exchange		5,933	(4,879)	4,615	7,155
		(236,652)	35,499	432,910	63,537
Net loss and comprehensive loss		(488,429)	(271,659)	(140,881)	(1,096,152)
Basic and diluted earnings (loss) per common share		(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of common shares outstanding - basic and fully diluted		131,751,484	131,751,484	131,751,484	131,751,484

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

FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Share Capital				
	Note	Number of shares outstanding	Amount	Reserves	Deficit	Total shareholders' equity
			$	$	$	$
Balance at November 30, 2022		131,751,484	36,313,958	4,990,950	(13,180,047)	28,124,861
Share-based compensation	9	-	-	451,152	-	451,152
Net loss for the period		-	-	-	(1,096,152)	(1,096,152)
Balance at May 31, 2023		131,751,484	36,313,958	5,442,102	(14,276,199)	27,479,861
Cancellation of stock options	9	-	-	(1,197,012)	1,197,012	-
Net loss for the period		-	-	-	(574,957)	(574,957)
Balance at November 30, 2023		131,751,484	36,313,958	4,245,090	(13,654,144)	26,904,904
Cancellation of stock options	9	-	-	(1,658,109)	1,658,109	-
Net losss for the period		-	-	-	(140,881)	(140,881)
Balance at May 31, 2024		131,751,484	36,313,958	2,586,981	(12,136,916)	26,764,023

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

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	May 31, 2024	May 31, 2023
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Earnings (loss) for the period	(140,881)	(1,096,152)
Items not affecting cash:		
Fair value loss (gain) on warrant liabilities	(386,069)	9,087
Share-based compensation	-	451,152
Foreign exchange	(1,296)	(14,974)
Interest on lease	-	3,454
Changes in non-cash working capital items:		
Receivables	(19,799)	122,979
Prepaid expenses and deposits	37,120	34,833
Accounts payable and accrued liabilities	319,051	(38,259)
Cash used in operating activities	(191,874)	(527,880)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(20,744)	-
Expenditures for exploration and evaluation assets	(180,776)	(976,544)
Cash used in investing activities	(201,520)	(976,544)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(32,862)	(39,434)
Cash used in financing activities	(32,862)	(39,434)
Change in cash and cash equivalents during the period	(426,256)	(1,543,858)
Effect of exchange rate changes on cash	-	14,974
Cash and cash equivalents, beginning of period	2,331,534	5,311,644
Cash and cash equivalents, end of period	1,905,278	3,782,760
Supplemental Cash Flow Information:		
Advances used for exploration and evaluation activities applies to exploration and evaluation assets	-	11,182
Evaluation and exploration assets included in accounts payable	11,053	21,191
Depreciation of property, plant and equipment included in exploration and evaluation assets	38,801	83,030

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Freeman Gold Corp. (the "Company") was incorporated in the Province of British Columbia on October 24, 2018, under the Business Corporations Act of British Columbia. The Company is in the business of exploring exploration and evaluation assets. The Company's registered office is Suite 1500 – 1055 W. Georgia Street, Vancouver BC V6E 4N7 and its business office is located at 1600 – 595 Burrard Street, Vancouver, BC V7X 1L4. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "FMAN".

On April 16, 2020, (the "Closing Date"), the Company completed a share exchange transaction (the "RTO") with 1132144 B.C. Ltd. ("113BC"), the parent company of Lower 48 Resources Inc. ("Lower 48 BC") and Lower 48 Resources (Idaho) LLC ("Lower 48"), whereby the Company acquired all of the issued and outstanding common shares of 113BC through the issuance of 33,740,000 common shares of the Company, subject to escrow terms to 113BC's shareholders. Additionally, the Company issued 3,500,000 common shares as finder fee shares to an arm's length finder that facilitated the RTO. Prior to the Closing Date, 14,257,770 common shares of the Company were outstanding. Following the Closing Date, 51,497,770 common shares of the Company were outstanding, with 66% of the Company's shares held by shareholders of 113BC.

Management determined that the RTO transaction constituted a reverse acquisition for accounting purposes whereby 113BC acquired the Company. For accounting purposes, 113BC is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As 113BC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The Company's results of operations are included from the Closing Date.

On November 30, 2022, the Company amalgamated all of its Canadian subsidiaries leaving its sole remaining subsidiary Lower 48.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at May 31, 2024, the Company has an accumulated deficit of $12,136,916, working capital of $1,614,336 and negative cash flow from operating activities of $191,874. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and energy crises, may create further uncertainty with respect to the Company's ability to execute its business plans.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of preparation

These condensed consolidated interim financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Functional and presentation currency

The presentation and functional currency of the Company and its subsidiary is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of 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 items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, and its wholly owned subsidiary Lower 48 (see Note 1). Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed consolidated interim financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

e) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting judgments

Impairment of exploration and evaluation assets
Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (Continued)

e) Significant accounting estimates and judgments (continued)

Critical accounting judgments (continued)

Going concern assessment
Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

There were no critical accounting estimates made in the preparation of these condensed consolidated interim financial statements.

f) Initial application of new and amended standards in the reporting period

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2023. The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the condensed consolidated interim financial statements.

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from December 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the condensed consolidated interim financial statements. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the condensed consolidated interim financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

g) New accounting standards issued but not yet effective

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company’s condensed consolidated interim financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	May 31, 2024	November 30, 2023
	$	$
Cash	127,254	309,336
Redeemable GIC in Canadian dollars including accrued interest at 4.65%	810,876	1,036,616
Redeemable GIC in US dollars including accrued interest at 4.5%	967,148	985,582
Total cash and cash equivalents	1,905,278	2,331,534

(Expressed in Canadian dollars, unless otherwise noted)

4. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Vehicles	Right of Use Asset	Total
	$	$	$	$
Cost				
Balance at November 30, 2022 and November 30, 2023	66,499	206,237	147,171	419,907
Additions	20,744	-	-	20,744
Termination of lease agreement	-	-	(147,171)	(147,171)
Balance at May 31 2024	87,243	206,237	-	293,480
Amortization				
Balance at November 30, 2022	41,465	150,524	36,793	228,782
Additions (Note 5)	23,729	55,010	73,585	152,324
Balance at November 30, 2023	65,194	205,534	110,378	381,106
Additions (Note 5)	1,305	703	36,793	38,801
Termination of lease agreement	-	-	(147,171)	(147,171)
Balance at May 31, 2024	66,499	206,237	-	272,736
Net book value				
Balance at November 30, 2023	1,305	703	36,793	38,801
Balance at May 31 2024	20,744	-	-	20,744

On June 7, 2022, the Company entered into a lease agreement for a warehouse facility. In accordance with IFRS 16, the Company recognized a lease liability of $147,171 and a right of use asset of $147,171. The fair value of the lease liability and right of use asset were determined through discounting future lease payments at a discount rate of 8%. The right of use asset was being amortized over the lease period plus one renewal period for a total of two years. The lease was terminated as of May 31, 2024.

(Expressed in Canadian dollars, unless otherwise noted)

5. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the period ended May 31, 2024 and year ended November 30, 2023 are as follows:

Period ended May 31, 2024	$
Property acquisition costs	
Balance at November 30, 2023 and May 31, 2024	5,995,165
Exploration and evaluation costs	
Balance at November 30, 2023	19,740,072
Costs incurred during the year:	
Depreciation of equipment, vehicles and right of use asset (Note 4)	38,801
Assaying and sampling	17,513
Fees and taxes	803
Geology	96,899
Metallurgy	877
Permitting	52,952
Resource estimate	(19,594)
	19,928,323
Balance at May 31, 2024	25,923,488

Year ended November 30, 2023	$
Property acquisition costs	
Balance at November 30, 2022	5,819,498
Claim maintenance costs	74,845
Option payments	100,822
	5,995,165
Exploration and evaluation costs	
Balance at November 30, 2022	18,249,020
Costs incurred during the year:	
Depreciation of equipment, vehicles and right of use asset (Note 4)	152,324
Assaying and sampling	153,959
Camp and accommodations	15,646
Drilling	68,483
Fees and taxes	1,201
Geology	403,517
Metallurgy	4,652
Permitting	269,242
Resource estimate	422,028
	19,740,072
Balance at November 30, 2023	25,735,237

(Expressed in Canadian dollars, unless otherwise noted)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Lemhi Property

On October 16, 2019, the Company entered into an option agreement and acquired 100% of the rights and interest in certain mining claims located in Lemhi County, Idaho for USD $1,615,000 ($1,872,002).

On August 19, 2019, the Company entered into an option agreement to acquire a 100% interest in an additional 46 unpatented mining claims located in Lemhi County, Idaho. In order to exercise the option, the Company is required to make the following payments:

i) USD $75,000 within 3 days of the effective date (paid - $101,475);
ii) USD $50,000 on or before the first anniversary of the effective date (paid - $67,531);
iii) USD $50,000 on or before the second anniversary of the effective date (paid - $62,772);
iv) USD $50,000 on or before the third anniversary of the effective date (paid - $64,415);
v) USD $75,000 on or before the fourth anniversary of the effective date (paid - $100,822);
vi) USD $75,000 on or before the fifth anniversary of the effective date;
vii) USD $75,000 on or before the sixth anniversary of the effective date; and
viii) USD $550,000 on or before the seventh anniversary of the effective date.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. (“Yamana”) over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of $2,098,342. In connection with the transaction the Company issued finder’s fees consisting of 260,000 common shares of the Company with a fair value of $135,200.

On September 15, 2020, the Company acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims (“Moon Claims”), located within the Lemhi project for cash consideration of $199,950 (US $150,000) and the issuance of 375,000 common shares of the Company. On June 23, 2021, this agreement was revised, requiring the payment of an additional USD $100,000 ($124,546) (paid). On June 6, 2022, the Company issued 375,000 shares with a fair value of $163,125 to complete the acquisition.

The Company has a reclamation bond in the amount of $116,460 (US $85,400) in accordance with the requirements of the USDA Forestry Service.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2024	November 30, 2023
	$	$
Accounts payable	34,865	108,390
Accrued liabilities (Note 7)	361,250	-
	396,115	108,390

7. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those individuals having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and senior corporate officers. The Company entered into the following transactions with related parties during the periods ended May 31, 2024 and 2023:

(Expressed in Canadian dollars, unless otherwise noted)

7. RELATED PARTY TRANSACTIONS (Continued)

Six months ended	May 31, 2024	May 31, 2023
	$	$
Consulting fees paid to a company controlled by the CEO	112,500	112,500
Consulting fees paid to the CFO and to a company controlled by the CFO	172,500	172,500
Consulting and equipment rental fees paid to the VP, Exploration	96,000	96,000
Consulting fees paid to the VP, Development	-	12,000
Consulting fees paid to a company controlled by the Executive Chairman	112,500	112,500
Share-based compensation paid to officers and directors	-	451,152
	493,500	956,652

Included in accounts payable at May 31, 2024 is $371,921 (November 30, 2023 - $63,563) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

On July 23, 2021, the Company issued 1,000,000 RSU's to the Chief Financial Officer and to the Executive Chairman of the board. The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold;
2) The participant resigns;
3) The participant is terminated without cause; or
4) The participant is otherwise unable to perform services for the Company.

On June 22, 2022, the Company issued 150,000 RSU's to two directors of the Company. The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold; or
2) The participant ceases to perform as director or is otherwise unable to perform services for the Company.

(See Note 9).

8. LEASE PAYABLE

On June 6, 2022, the Company entered into a lease agreement for a warehouse space in Alberta, Canada for a period of one year plus one renewal year. Lease payments are $6,572 per month.

The Company recognized a lease liability of $147,171 and a right of use asset of $147,171. The fair value of the lease liability was determined through discounting future lease payments at a discount rate of 8% over two years. During the period ended May 31, 2024, the Company made total lease payments of $32,862 (period ended May 31, 2023 - $39,434) of which $Nil (period ended May 31, 2023 - $3,454) was recorded as interest expense in the condensed consolidated interim statement of loss and comprehensive loss for the current period. The lease was terminated as at May 31, 2024.

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Common share transactions

There were no common share transactions for the period ended May 31, 2024 or year ended November 30, 2023.

c) Warrants

There were no warrant transactions for the period ended May 31, 2024 or year ended November 30, 2023.

Warrants outstanding at May 31, 2024 and November 30, 2023 are as follows:

	Exercise Price ($)	Number of Warrants	Expiry Date
Equity Warrants	0.35	11,537,692	September 7, 2024
Liability Warrants	*0.89	19,130,804	November 29, 2026
		30,668,496	

* The liability warrants are exercisable at US$0.65 (CAD$0.88).

The remaining life of equity warrants is 0.27 years, and the remaining life of liability warrants is 2.50 years.

The liability warrants were valued based on the closing market price at May 31, 2024 resulting in a fair value gain of $386,069 (period ended May 31, 2023 - loss of $9,087) recorded in the condensed consolidated interim statement of loss and comprehensive loss for the current period.

d) Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the date of grant for a period of up to ten years from the date of grant.

(Expressed in Canadian dollars, unless otherwise noted)

9. SHARE CAPITAL (Continued)

d) Stock Options (continued)

The following is a summary of the Company's stock option transactions for the period ended May 31, 2024 and year ended November 30, 2023:

	Number of Options	Weighted Average Exercise Price $
Balance November 30, 2022	9,700,000	0.49
Granted	2,325,000	0.25
Cancelled	(2,450,000)	0.60
Balance November 30, 2023	9,575,000	0.41
Cancelled	(5,125,000)	0.43
Balance May 31, 2024	4,450,000	0.38
Exercisable at May 31, 2024	4,450,000	0.38

The fair value of the stock options granted during the periods ended May 31, 2024 and 2023 was estimated using the Black-Scholes pricing model with the following assumptions:

	May 31, 2024	May 31, 2023
Risk-free interest rate	-	3.17%
Expected life of options	-	5 years
Stock price on date of grant	-	$0.23
Annualized volatility	-	125.00%
Dividend rate	-	0%

Volatility assumptions for the valuation of options were derived by reference to the volatility of comparable companies. The fair value of options issued was $Nil (May 31, 2023 - $0.194).

During the periods ended May 31, 2024 and 2023, the Company incurred $Nil and $451,152 respectively, in share-based compensation expense related to the vesting of stock options.

Stock options outstanding at May 31, 2024 are as follows:

Exercise Price ($)	Number of Shares Issuable on Exercise	Expiry Date
0.60	300,000	May 27, 2025
0.60	300,000	October 6, 2025
0.40	275,000	August 31, 2026
0.50	1,250,000	February 1, 2027
0.25	2,325,000	February 10, 2028
	4,450,000	

The weighted average remaining life of stock options is 2.66 years.

9. SHARE CAPITAL (Continued)

e) Restricted Share Units

During the year ended November 30, 2021, the Company adopted a restricted share unit ("RSU) plan to promote and advance the interests of the Company by (i) providing eligible persons (as defined in the RSU plan) with additional incentive through an opportunity to receive discretionary bonuses in the form of shares of the Company, (ii) encouraging stock ownership by such eligible persons, (iii) increasing the proprietary interest of eligible persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate eligible persons.

The proposed RSU plan provides that RSU's may be granted by the Board or a committee or member of the Board as the administrator of the RSU plan, to directors, officers, employees, and consultants of the Company. The maximum number of shares made available for issuance pursuant to the RSU plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the shares issued and outstanding from time to time, less any shares reserved for issuance under all other share compensation arrangements (including the Company's stock option plan). Due to uncertainties related to the amount and timing of the future settlement of the RSU's, no value has been assigned to the RSU's as of May 31, 2024. (See Note 7).

10. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

At May 31, 2024, the fair values of the Company's warrant liabilities and cash and cash equivalents are based on Level 1 measurements. The fair values of other financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt. The only interest-bearing assets are redeemable guaranteed investment certificates which mature within one year. As such, the Company has minimal interest rate risk.

Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and redeemable GIC's, which are held with a high-credit financial institution and amounts receivable from the Government of Canada. As such, the Company's credit exposure is minimal.

Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. As of May 31, 2024, the Company has US dollar

10. FINANCIAL INSTRUMENTS (Continued)

denominated assets of $1,053,014 and US dollar denominated liabilities of $17,836. Based on this net US dollar exposure, at May 31, 2024, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company’s net income or loss by $103,518.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity. The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

There were no changes in the Company’s approach to capital management during the six months ended May 31, 2024.