NEXCO RESOURCES INC

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
FEBRUARY 29/28, 2024 AND 2023

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed 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 interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the three and six months ended February 29/28, 2024 and 2023 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 interim financial statements.

NEXCO RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	As at February 29, 2024 (Unaudited)	As at August 31, 2023 (Audited)
Assets		
Current		
Cash	$ 21,936	$ 6,454
Amounts receivable (Note 10)	22,967	17,545
	$ 44,903	$ 23,999
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 10)	201,480	116,822
Notes payable (Note 7)	83,113	30,066
Convertible debentures (Note 8)	2,550,846	2,449,624
	2,835,439	2,596,512
Deficiency		
Share Capital (Note 9)	3,974,690	3,974,690
Contributes surplus (Note 9)	796,195	796,195
Deficit	(7,561,421)	(7,343,398)
	(2,790,536)	(2,572,513)
	$ 44,903	$ 23,999

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Note 13)

Approved and authorized for issuance on behalf of the Board on April 25, 2024.

/s/ "Zayn Kalyan" Director *"/s/ "Leighton Bocking"* Director

NEXCO RESOURCES INC.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 29/28, 2024 AND 2023
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended February 29/28,		Six Months Ended February 29/28,	
	2024 $	**2023 $**	**2024 $**	**2023 $**
General and administration				
Accretion and interest (Note 8)	50,611	107,844	101,222	132,776
Consulting fees	35,926	36,731	72,659	100,150
Office and general	1,492	413	2,481	753
Professional fees	3,235	12,715	13,884	17,369
Rent	9,000	9,000	18,000	18,000
Transfer agent and filing fees	6,777	7,207	9,777	9,607
Travel	-	-	-	3,870
Net loss and comprehensive loss	(107,041)	(173,910)	(218,023)	(282,525)
Basic and Diluted Loss Per Common Share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted Average Number of Common Shares Outstanding	35,862,666	35,862,666	35,862,666	35,862,666

* As at February 29, 2024, the Company had not converted any of its convertible debentures which matured during the year ended August 31, 2023. Pursuant to the convertible debenture agreement, the number of shares to be converted will not be known until such time as the conversion takes place as the convertible debenture agreements state interest accrues up until time of conversion, regardless of the maturity date. The debenture holder has the option to convert in whole or in part upon written notification to the Company.

NEXCO RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE SIX MONTHS ENDED FEBRUARY 29/28, 2024 AND 2023
(Unaudited - Expressed in Canadian dollars)

Six Months Ended February 28, 2023

	Common Shares				
	# of Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Equity (Deficiency)**
Balance, September 1, 2022	35,862,666	$ 3,974,690	$ 796,195	$ (6,678,923)	$ (1,908,038)
Net loss for the period	-	-	-	(282,525)	(282,525)
Balance, February 28, 2023	35,862,666	$ 3,974,690	$ 796,195	$ (6,961,448)	$ (2,190,563)

Six Months Ended February 29, 2024

	Common Shares				
	# of Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Equity (Deficiency)**
Balance, September 1, 2023	35,862,666	$ 3,974,690	$ 796,195	$ (7,343,398)	$ (2,572,513)
Net loss for the period	-	-	-	(218,023)	(218,023)
Balance, February 29, 2024	35,862,666	$ 3,974,690	$ 796,195	$ (7,561,421)	$ (2,790,536)

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

NEXCO RESOURCES INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED FEBRUARY 29/28, 2024 AND 2023
(Unaudited - Expressed in Canadian dollars)

	Six months ended Feb 29, 2024	**Six months ended Feb 28, 2023**
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	(218,023)	(282,525)
Items not involving cash:		
Accretion and interest	101,222	132,776
Interest on notes payable	1,222	-
Changes in non-cash working capital balances:		
Prepaid expenses	-	10,500
Amounts receivable	(5,422)	35,184
Accounts payable and accrued liabilities	84,658	(3,513)
Cash used in operating activities	(36,343)	(107,578)
FINANCING ACTIVITIES		
Proceeds from note payable	51,825	-
Cash provided by financing activities	51,825	-
CHANGE IN CASH	15,482	(107,578)
CASH, BEGINNING OF PERIOD	6,454	165,147
CASH, END OF PERIOD	21,936	57,569
SUPPLEMENTAL CASH DISCLOSURES		
Interest paid and income tax paid	-	-

1. NATURE OF OPERATIONS AND GOING CONCERN

Nexco Resources Inc. (“the Company”) was incorporated on December 14, 2012 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is suite 750-1095 W Pender Street, Vancouver, British Columbia, Canada. The Company’s principal business activities include the acquisition and exploration of mineral property assets. During the year ended August 31, 2021, the Company wrote-down its Berger Property to $1. During the year ended August 31, 2023, due to insufficient working capital the Company did not renew its mineral claims and thereby forfeited its mineral claims relating to the Berger Property. The Berger Property mineral claims expired on June 30, 2023 and as at February 29, 2024, the Company did not have any ownership interest relating to mineral property claims or assets. On March 23, 2023, the Canadian Securities Exchange (the “Exchange”) issued a bulletin stating the Company no longer met the Exchange’s continued listing requirements and the Company resumed trading under the new symbol ‘NXU.X’ on March 24, 2023.

Transaction with Soter and SymptomSense including Bridge Loan

On November 30, 2020, the Company entered into a Letter of Intent (“LOI”) with SymptomSense, LLC (“SymptomSense”). Pursuant to the LOI, the Company proposed to purchase all of the issued and outstanding securities of SymptomSense. On May 25, 2021, the Company announced that further to the LOI, it had signed a definitive securities exchange agreement (the “Definitive Agreement”) with Soter Technologies, LLC (“Soter” or the “Target”), the parent company of SymptomSense and a private arm’s length limited liability company incorporated under the laws of the State of New York, and the owners of the Target (the “Vendors”) pursuant to which the Company had agreed to purchase all of the issued and outstanding equity securities of the Target (the “Target Securities”) from the Vendors (the “Transaction”). On March 20, 2023, the Company announced that the Company would not be proceeding with the proposed business combination and fundamental change transaction with Soter. Pursuant to the transaction with Soter and SymptomSense, the Company advanced a total of USD $3,450,000 (“Bridge Loan”) to Soter and SymptomSense during the course of the Transaction. During the year ended August 31, 2022, the Company provided for an impairment charge of $4,318,870 (USD $3,450,000) against the Bridge Loan as a result of the uncertainty related to recovering the advances.

Convertible Note (SymptomSense and Soter)

On February 28, 2023, the Company executed a debt-swap agreement with Soter and SymptomSense whereby, in exchange for the Company forgiving the Bridge Loan, Soter issued to the Company an unsecured subordinated convertible note in the principal amount of US$3,250,000 (the “Soter Convertible Note”). The Soter Convertible Note bears interest of 12% per annum and is convertible into shares of common stock of Soter at the Company’s option and has a maturity date of the earlier of: (a) the date of a liquidity event, being a public offering of shares of common stock of Soter resulting in the listing for trading or quoting of Soter’s common stock on the NYSE, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, or the Nasdaq Global Select Market; and (b) November 28, 2023 (Notes 5,13). The Company and Soter also entered into a registration rights agreement, pursuant to which Soter agreed to register all applicable securities issuable upon conversion of the Soter Convertible Note in accordance with its terms such that whenever Soter is required or proposes to register any of its equity securities under the United States Securities Act of 1933, as amended from time to time, Soter will, among other things, give the Company at least 15 days prior written notice of its intention to effect such registration. Concurrent with the issuance of the Soter Convertible Note, Nexco and Soter entered into subordination agreement whereby Nexco released all security interests it held in respect of Soter under the security agreements entered into in connection with the Bridge Loan. Due to the uncertainty of recovering the amount due pursuant to the Soter Convertible Note, the Company did not record the Soter Convertible Note or any accrued interest as an asset of the Company.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Going Concern

As at February 29, 2024, the Company had a working capital deficiency of $2,790,536 (August 31, 2023 - $2,572,513) and a deficit of $7,561,421 (August 31, 2023 – $7,343,398). To date, the Company has been funded by the issuance of debt and equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing sufficient to cover its operating costs. The Company is subject to various material risks and uncertainties that could impact its ability to continue as a going concern and affect the realization of its assets and discharge its liabilities in the normal course of business. Management has evaluated these uncertainties and believe the following are the most significant:

1) *Convertible Note – Soter and SymptomSense* - During the year ended August 31, 2023, in exchange for total advances of USD $3,450,000 to Soter and SymptomSense, including any accrued interest to Feb 28, 2023, the Company received a convertible note from Soter in the amount of $3,250,000 ("Convertible Note"). Due to various factors, including historical defaults and non-payment, the Company wrote-down the advances to $Nil and did not record the convertible note, or any applicable accrued interest, as an asset on the statement of financial position as at February 29, 2024. There is material uncertainty as to the collectability, in whole or in part, of the Convertible Note and may materially impact the Company's liquidity position;

2) *Mineral claims - Berger Property* - During the year ended August 31, 2023, the Company was not in a financial position to renew its Berger Property mineral claims, and on June 30, 2023, forfeited such mineral claims. The Berger Property mineral claims were purchased through an option agreement whereby the optionor would retain a 2% Net Smelter Returns royalty ("NSR") on the Property. There is uncertainty as it relates to any resolution, or enforcement of any potential rights by the optionor, regarding the NSR, which may materially impact the Company's liquidity position; and

3) *Debt - Convertible Debentures* – As at February 29, 2024, the Company had a significant debt obligation of $2,550,846 relating to convertible debenture agreements. Pursuant to the convertible debenture agreements, the debentures were to automatically convert into units of the Company on their maturity dates, which occurred on or before August 25, 2023. Pursuant to the agreements, the debenture holders are required to notify the Company in writing regarding any default by the Company and their right to demand the obligation as due immediately. As at February 29, 2024, the Company has not received the required written notification and continues discussions with the debenture holders regarding timing of any conversion or some other resolution. There can be no assurance that terms will be renegotiated which may adversely affect the Company's liquidity position.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PRESENTATION (continued)

These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the years ended August 31, 2023 and 2022, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those applied in the Company's audited financial statements for the years ended August 31, 2023 and 2022. The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these 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 financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 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 the financial position reporting date, 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, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
ii. the assessment concerning collection or conversion of convertible notes; and
iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the measurement of deferred income tax assets and liabilities;
ii. the evaluation of the Company's ability to continue as a going concern; and
iii. realization of advance of receivables and convertible notes.

4. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

5. ADVANCES

On December 31, 2020, the Company entered into a loan agreement with SymptomSense, LLC as part of the Transaction described in Note 1. The agreement was amended on May 25, 2021. Pursuant to the Amended Definitive Agreement and in accordance with the Amended Loan Agreement, the Company agreed to advance a secured bridge loan in the amount of up to US$3,450,000 to the Target, which is secured against all present and after acquired property of the Target. The agreement includes the following terms:

- interest rate of 5% per annum, commencing on March 31, 2021;
- maturity date of November 25, 2021 (“Maturity Date”);
- with no obligation to make payment of either principal or interest prior to the Maturity Date; and
- covenants limiting Sorter’s ability to use proceeds from the Bridge Loan for purposes other than maintenance of working capital.

During the year ended August 31, 2021, the Company advanced a principal amount of $4,124,466 (USD $3,300,000) to the Target and during the year ended August 31, 2022, the Company advanced a principal amount of $194,404 (USD $150,000) to the Target. On December 2, 2021, the Company issued a demand letter to Soter and SymptomSense stating they were in default of the Bridge Loan agreement and that the principal amount of $4,124,466 (US$3,300,000) plus accrued interest to November 25, 2021, was due in full. According to the security agreement relating to the Bridge Loan, Soter and SymptomSense had until February 17, 2022 to cure their default. Soter and SymptomSense did not make payment and during the year ended August 31, 2022, the Company provided for an impairment charge of $4,318,870 (USD $3,450,000) against the Bridge Loan as a result of the uncertainty related to recovering the advances. The Company continued negotiations with Soter and SymptomSense and on February 28, 2023, the Company executed a debt-swap agreement with Soter and SymptomSense whereby, in exchange for the Company forgiving the Bridge Loan, Soter issued to the Company an unsecured subordinated convertible note in the principal amount of US$3,250,000. The Soter Convertible Note bears interest of 12% per annum and is convertible into shares of common stock of Soter at the Company’s option and has a maturity date of the earlier of: (a) the date of a liquidity event, being a public offering of shares of common stock of Soter resulting in the listing for trading or quoting of Soter’s common stock on the NYSE, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, or the Nasdaq Global Select Market; and (b) November 28, 2023 (Note 13). Due to the uncertainty of recovering the amount due, including accrued interest that has never been collected pursuant to the Soter Convertible Note, the Company did not record the Soter Convertible Note or any accrued interest as an asset of the Company.

6. EXPLORATION AND EVALUATION ASSET

Berger Property

Pursuant to an initial and amended option agreements (the “Agreement”) dated August 21, 2014 and July 31, 2015, with the Optionor, the Company was granted an option to acquire a 100% undivided interest in the Berger Property (the “Property”) which consists of two mining claims located in the Kamloops Mining District of British Columbia. In accordance with the Agreement, the Company has acquired a 100% undivided interest in the Property by issuing a total of 100,000 common shares and making cash payment of $12,000. The Optionor will retain a 2% Net Smelter Returns (“NSR”) royalty on the Property. The Company has the right to purchase the NSR at a purchase price of $1,000,000 per percentage point during the five-year period commencing from the date upon which the Property is put into commercial production. During the year ended August 31, 2021, the Company recorded an impairment charge of $174,594 for the Berger Property due to the uncertainty of any future work being incurred on the property.

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSET(continued)

During the year ended August 31, 2023, the Company did not renew and thereby forfeited its mineral claims relating to the Berger Property due to insufficient working capital and no anticipation of future work on progressing the mineral property. The mineral claims for the Berger Property expired on June 30, 2023.

7. NOTES PAYABLE

On August 15, 2023, the Company received $30,000 in the form of a promissory note (the “Promissory Note”) from a third party. The Promissory Note has a maturity date of February 28, 2024 and accrues interest at a rate of 5% per annum and compounds monthly. During the six months ended February 29, 2024, the Company recorded $753 (2023 - $Nil) in interest related to the Promissory Note. The Promissory Note matured on February 29, 2024 and the Company is negotiating with the note holder to extend the maturity date.

On November 15, 2023, the Company received an additional $30,000 in the form of a promissory note (the “Second Promissory Note”) from this same third party. The Second Promissory Note has a maturity date of February 28, 2024 and accrues interest at a rate of 5% per annum and compounds monthly. During the six months ended February 29, 2024, the Company recorded $434 (2022 - $Nil) in interest related to the Second Promissory Note. The Promissory Note matured on February 28, 2024 and the Company is negotiating with the note holder to extend the maturity date.

On February 16, 2024, the Company received an additional $21,825 in the form of a promissory note (the “Third Promissory Note”) from this same third party. The Third Promissory Note has a maturity date of August 16, 2024 and accrues interest at a rate of 5% per annum and compounds monthly. During the six months ended February 29, 2024, the Company recorded $35 (2022 - $Nil) in interest related to the Third Promissory Note.

Balance outstanding, August 31, 2023	$30,066
Principal	51,825
Interest	1,222
Balance outstanding, February 29, 2024	$83,113

8. CONVERTIBLE DEBENTURES

Balance outstanding, August 31, 2023	$	2,449,624
Accretion and interest		101,222
Balance outstanding February 29, 2024	$	2,550,846

i. On July 20, 2021, the Company closed the first tranche of its non-brokered private placement of unsecured convertible debentures (each, a “Debenture”) of the Company for total gross proceeds of $350,000. All securities issued in connection with the first tranche will be subject to a hold period expiring November 21, 2021. In connection with the closing of the first tranche, the Company paid finder’s fees in the amount of $28,100 and issued 112,000 broker warrants exercisable at $0.25 for two years.

(Unaudited - Expressed in Canadian dollars)

8. CONVERTIBLE DEBENTURES (continued)

The fair value of the brokers' warrants was $23,666 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

ii. On July 30, 2021, the Company closed a second tranche of a non-brokered private placement of unsecured convertible debentures (each, a "Debenture") of the Company for total gross proceeds of $959,500. All securities issued in connection with the second tranche will be subject to a hold period expiring December 1, 2021. In connection with the closing of the first tranche, the Company paid finder's fees in the amount of $77,360 and issued 307,040 broker warrants exercisable at $0.25 for two years.

The fair value of the brokers' warrants was $64,878 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

i. On August 25, 2021, the Company announced it closed a third and final tranche of a non-brokered private placement of unsecured convertible debentures (each, a "Debenture") of the Company for total gross proceeds of $720,500. All securities issued in connection with the second tranche will be subject to a hold period expiring December 26, 2021. In connection with the closing of the first tranche, the Company paid finder's fees in the amount of $57,740 and issued 230,560 broker warrants exercisable at $0.25 for two years. The fair value of the brokers' warrants was $48,531 and was estimated using the Black-Scholes pricing model with the following assumptions:

Risk free interest rate	0.4%
Expected life	2 years
Expected volatility	109%
Expected dividends	0%

All convertible debentures of the Company bear interest at 10% per annum, from the date of issuance, payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. On August 9, 2022, the Company announced it entered into agreements to amend the maturity dates for the convertible debentures. All other terms of the convertible debentures remain the same. Amended maturity dates are as follows:

Principal Amount	Effective Date	Original Maturity Date	Amended Maturity Date
$350,000	July 20, 2021	July 20, 2022	July 20, 2023
$959,500	July 30, 2021	July 30, 2022	July 30, 2023
$720,500	August 25, 2021	August 25, 2022	August 25, 2023
$2,030,000			

8. CONVERTIBLE DEBENTURES (continued)

At the Maturity Date, the outstanding convertible debentures will automatically convert into units of the Company (each, a "Unit") at the following conversion price:

(a) if the Company's Transaction with Soter and SymptomSense has not yet closed, $0.225 per Unit (the "Conversion Price"), with each Unit consisting of one common share in the capital of the Company (each, a "Share") and one-half of one non-transferable share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share (each, a "Warrant Share") at a price of $0.75 per Warrant Share for a period of two years from the date of the Closing;

(b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the "Alternative Conversion Price") equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing (the "Concurrent Financing") carried out in connection with the Transaction (the "Concurrent Financing Price").

All convertible debentures matured on their respective dates. As at February 29, 2024, the Company had not converted the debentures to common shares and is in default of the agreement.

Pursuant to the debenture agreements, the debenture holder must notify in writing to the Company that the Company is in default and that the obligation is immediately due and payable. As at February 29, 2024, the Company has not received the required written notification and continues its discussions with the debenture holders regarding timing of any conversion or some other resolution. During the six months ended February 29, 2024, the Company recorded accretion and interest expense of $101,222 (2023 - $132,776).

9. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

As at February 29, 2024 – 35,862,666 (2023 – 35,862,666) common shares were issued and outstanding.

c) Financing:

During the six months ended February 29, 2024 and 2023 the Company did not complete any financings and did not issue any common shares.

(d) Stock Option Plan:

The Company has adopted a 10% rolling incentive stock option plan, which provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options ("Options") to purchase up to 10% of the issued and outstanding common shares of the Company at the date of grant. In addition, no Options may be granted under the stock option plan if the number of common shares, calculated on a fully diluted basis, issued within 12 months to (i) related persons, exceeds 10% of the outstanding common shares of the Company, or (ii) a related person and the associates of the related person, exceeds 5% of the outstanding common shares of the Company.

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

During the six months ended February 29, 2024 and 2023, the Company did not grant any stock options. As at February 29, 2024, the Company did not have any stock options outstanding.

(e) Warrants:

During the six months ended February 29, 2024 and 2023, the Company did not issue any warrants.

On October 13, 2023, the Company announced that 3,399,000 warrants expiring on October 16, 2023 were extended to October 16, 2025. All other terms remain unchanged.

On January 12, 2023, the Company announced that 7,205,340 warrants expiring on December 31, 2022 were extended to December 31, 2024 and 6,131,666 warrants expiring on January 20, 2023 were extended to January 20, 2025. All other terms remain unchanged.

The following table summarizes warrant transactions:

	Number of warrants	**Weighted average exercise price**
		$
Outstanding, August 31, 2023	16,736,006	0.26
No activity	-	-
Outstanding, February 29, 2024	16,736,006	0.26

The following table summarizes the warrants outstanding and exercisable as at February 29, 2024:

Exercise price	**Number of warrants**	**Exercisable**	**Expiry date**
$ 0.30	6,211,500	6,211,500	December 31, 2024
$ 0.20	993,840	993,840	December 31, 2024
$ 0.30	5,288,333	5,288,333	January 20, 2025
$ 0.20	843,333	843,333	January 20, 2025
$ 0.15	3,399,000	3,399,000	October 16, 2025
	16,736,006	16,736,006	

10. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The Company had the following related party transactions during the six months ended February 29, 2024 and 2023:

	Feb 29, 2024	**Feb 28, 2023**
	$	$
CEO Consulting fees	60,000	60,000

(Unaudited - Expressed in Canadian dollars)

10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As at February 29, 2024 there is $103,500 (2023 - $Nil) in accounts payable and accrued liabilities owing to the CEO of the Company. Amounts due to the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

During the year ended August 31, 2023, the Company wrote-down a receivable in the amount of $27,032 from a company with common management personnel as it was deemed uncollectible.

As at February 29, 2024 there is $Nil (2023: $27,032) recorded in accounts receivable owing from a company with common management personnel. Amounts receivable from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments. Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 29, 2024 are as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	$	$	$
Cash	21,936	-	-	21,936

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities and convertible debentures. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company does not have any significant foreign currency denominated monetary liabilities.

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

13. SUBSEQUENT EVENTS

On December 7, 2023, the Company's legal counsel sent a demand letter notifying Soter that the Convertible Note is in default and that the full amount of the indebtedness of USD $3,250,000, plus accrued interest, has become immediately due and payable and has until December 15, 2023 to make payment in full. The Company did not receive the funds by the December 15, 2023 deadline and will commence enforcing its security and recover the indebtedness owing, including all costs and expenses incurred by the Company in relation to enforcing the loan and security.