

Edgemont

GOLD CORP.

FINANCIAL STATEMENTS

October 31, 2023

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Edgemont Gold Corp.

Opinion

We have audited the financial statements of Edgemont Gold Corp. (the "Company"), which comprise the statements of financial position as at October 31, 2023 and 2022, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 indicates that the Company incurred a net loss of \$148,044 during the year ended October 31, 2023 and, as of that date, the Company had an accumulated deficit of \$1,291,598. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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.

Vancouver

1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

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 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.



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

January 26, 2024

EDGEMONT GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	October 31, 2023	October 31, 2022
ASSETS		
CURRENT		
Cash	\$ 903,174	\$ 704,115
Amounts receivable	1,457	6,157
Prepaid expenses	3,493	11,543
TOTAL CURRENT ASSETS	908,124	721,815
RECLAMATION DEPOSITS	16,000	16,000
EXPLORATION AND EVALUATION ASSETS (Note 5)	1,447,519	1,584,475
TOTAL ASSETS	\$ 2,371,643	\$ 2,322,290
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 19,136	\$ 21,084
TOTAL LIABILITIES	19,136	21,084
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	3,248,207	3,067,948
SHARE-BASED PAYMENT RESERVE (Note 7)	304,918	285,832
WARRANT RESERVE (Note 7)	90,980	90,980
DEFICIT	(1,291,598)	(1,143,554)
TOTAL SHAREHOLDERS' EQUITY	2,352,507	2,301,206
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,371,643	\$ 2,322,290

NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENT (Note 13)
Approved and authorized for issue on behalf of the Board on January 26, 2024.

"Stuart Rogers" Director "Joseph Campbell" Director

The accompanying notes are an integral part of these financial statements

EDGEMONT GOLD CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year ended October 31, 2023	Year ended October 31, 2022
EXPENSES		
Bank charges	\$ 472	\$ 983
Consulting	-	50,000
Management fees (Note 8)	60,000	60,000
Office and administration	10,391	6,960
Professional fees (Note 8)	51,808	62,058
Share-based payments (Notes 7 and 8)	19,086	30,073
Shareholder relations	13,413	299,324
Transfer agent and filing fees	18,625	15,877
Travel and entertainment	1,869	12,334
Net loss before other items	(175,664)	(537,609)
Other items		
Interest income	27,620	8,996
Flow-through share premium	-	22,564
	27,620	31,560
NET LOSS AND COMPREHENSIVE LOSS	\$ (148,044)	\$ (506,049)
LOSS PER SHARE (basic and diluted)	\$ (0.01)	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	15,516,239	13,211,034

The accompanying notes are an integral part of these financial statements

EDGEMONT GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

<u>Common Shares</u>							
	Note	Number of Shares	Amount	Share- based payment reserve	Warrant reserve	Deficit	Total
			\$	\$	\$	\$	\$
BALANCE, OCTOBER 31, 2021		13,069,294	2,984,885	267,482	90,980	(637,505)	2,705,842
Shares issued for properties	7	180,000	53,400	-	-	-	53,400
Stock options exercised	7	39,000	17,940	-	-	-	17,940
Reallocation of share-based payments	7	-	11,723	(11,723)	-	-	-
Share-based payments	7	-	-	30,073	-	-	30,073
Net loss for the year		-	-	-	-	(506,049)	(506,049)
BALANCE, OCTOBER 31, 2022		13,288,294	3,067,948	285,832	90,980	(1,143,554)	2,301,206
Shares issued for cash	7	3,800,000	190,000	-	-	-	190,000
Share issuance costs		-	(9,741)	-	-	-	(9,741)
Share-based payments	7	-	-	19,086	-	-	19,086
Net loss for the year		-	-	-	-	(148,044)	(148,044)
BALANCE, OCTOBER 31, 2023		17,088,294	3,248,207	304,918	90,980	(1,291,598)	2,352,507

The accompanying notes are an integral part of these financial statements

EDGEMONT GOLD CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended October 31, 2023	Year ended October 31, 2022
OPERATING ACTIVITIES		
Net loss	\$ (148,044)	\$ (506,049)
Items not involving cash:		
Flow-through share premium	-	(22,564)
Share-based payments	19,086	30,073
Changes in non-cash working capital balances:		
Decrease in amounts receivable	4,700	59,394
Decrease in prepaid expenses	8,050	92,671
Increase (decrease) in accounts payable and accrued liabilities	(1,948)	6,006
Cash used in operating activities	(118,156)	(340,469)
INVESTING ACTIVITIES		
Exploration and evaluation acquisition costs	-	(60,000)
Exploration and evaluation deferred exploration costs	(16,350)	(912,621)
Mineral exploration tax credit	153,306	4,299
Cash provided by (used in) investing activities	136,956	(968,322)
FINANCING ACTIVITIES		
Issuance of common shares	190,000	-
Stock options exercised	-	17,940
Share issuance costs	(9,741)	-
Cash provided by financing activities	180,259	17,940
CHANGE IN CASH	199,059	(1,290,851)
CASH, BEGINNING OF YEAR	704,115	1,994,966
CASH, END OF YEAR	\$ 903,174	\$ 704,115

Refer to Note 11 for supplemental cash flow information.

The accompanying notes are an integral part of these financial statements

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Edgemont Gold Corp. (the “Company”) was incorporated on August 2, 2018 under the laws of British Columbia under the name Edgemont Resource Corp. On January 30, 2020, the Company changed its name to Edgemont Gold Corp. The address of the Company’s corporate office and its principal place of business is 9th Floor - 1021 West Hastings Street, Vancouver, B.C. V6E 0C3. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “EDGM”.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at October 31, 2023 the Company had not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

During the year ended October 31, 2023, the Company incurred a net loss of \$148,044 and has an accumulated deficit of \$1,291,598 as at October 31, 2023. The Company has not yet begun to generate revenues and its operations have been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These circumstances indicate the existence of a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

On March 2, 2023, the Company consolidated its share capital by issuing one new common share without par value for every two existing common shares without par value. All common share and per share amounts have been restated to give retroactive effect to the share consolidation.

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. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on January 26, 2024.

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretation Committee (IFRIC) in effect for the year ended October 31, 2023.

b) Basis of presentation

These financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized.

Management annually assesses carrying values of exploration and evaluation assets for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, the Company's legal right to explore has expired, there are unfavourable changes in the property economics, there are restrictions on development, when further exploration work is neither budgeted nor planned or when there has been an undue delay in development, which exceeds three years.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

f) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss based on a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

h) Income (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted income per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

i) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j) Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) 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. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets and liabilities	Classification IFRS 9
Cash	FVTPL
Reclamation deposits	Amortized cost
Accounts payable	Amortized cost

(ii) 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.

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 statements of 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 statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

(ii) Measurement (continued)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) 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.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

k) Impairment of non-financial assets

The carrying amount of the Company's non-financial 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 profit or 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.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Impairment of non-financial assets (continued)

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 in the carrying value of the asset to an amount higher than the carrying amount that would have been determined as had no impairment loss been recognized in previous years.

l) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

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 exploration and evaluation assets and related determination of the net realizable value and impairment of the exploration and evaluation assets where applicable;
- ii. the assessment of fair value of share-based payments and equity-based compensation; and
- iii. the measurement of deferred income tax assets and liabilities.

Significant accounting judgments

- i. the determination of categories of financial instruments; and
- ii. the evaluation of the Company's ability to continue as a going concern.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Dungate Creek
<i>Acquisition costs:</i>	
Balance, October 31, 2021	\$ 89,700
Additions:	
Additions for the year – Cash	60,000
Additions for the year – Shares	53,400
Total additions for the year	113,400
Balance, October 31, 2022 and 2023	203,100
<i>Deferred exploration costs:</i>	
Balance, October 31, 2021	784,226
Additions:	
Assays	70,289
Drilling	469,723
Field expenses	2,636
Geological services (Note 8)	57,300
Licensing	1,500
Total additions for the year	601,448
Less exploration tax credit	(4,299)
Balance, October 31, 2022	1,381,375
Additions:	
Field expenses	7,920
Geological services	7,800
Licensing	630
Total additions for the year	16,350
Less exploration tax credit	(153,306)
Balance, October 31, 2023	1,244,419
Total Balance, October 31, 2022	\$ 1,584,475
Total Balance, October 31, 2023	\$ 1,447,519

EDGEMONT GOLD CORP.
NOTES TO THE FINANCIAL STATEMENTS
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5. EXPLORATION AND EVALUATION ASSET (continued)

Dungate Creek Property Option Agreement

Pursuant to an option agreement (the "Agreement") dated December 19, 2018, the Company was granted an option to acquire a 100% undivided interest in the Dungate Creek Property (the "Dungate Property") located near Houston, British Columbia.

In accordance with the Agreement, the Company had the option to acquire its 100% undivided interest in the Dungate Property by paying \$5,000 in cash upon execution of the Agreement and by issuing a total of 225,000 common shares of the Company to the Optionors, making further cash payments totaling \$70,000, and incurring a total of \$175,000 in exploration expenditures as follows:

	Number of Common Shares	Cash	Exploration Expenditures
On execution of the agreement (completed)	-	\$ 5,000	\$ 5,000
On or before the listing of the Company's common shares on a Canadian Stock Exchange (completed)	15,000	-	70,000
On or before the first anniversary of the Agreement (completed)	30,000	10,000	-
On or before the second anniversary of the Agreement (completed)	60,000	20,000	-
On or before the third anniversary of the Agreement (completed) (Note 7)	120,000	40,000	100,000
Total	225,000	\$ 75,000	\$ 175,000

The Optionors will retain a 2% Net Smelter Returns royalty on the Dungate Property. The Company has the right to purchase 1% of the royalty for \$1,000,000 at any time prior to the commencement of commercial production.

The terms of the Option Agreement for the Dungate Property were satisfied during the year ended October 31, 2022 and title to the claims comprising the property was transferred to the Company on February 16, 2022.

Mike Property Option Agreement

Pursuant to an option agreement (the "Mike Agreement") dated September 24, 2019, the Company was granted an option to acquire a 100% undivided interest in the Mike Property (the "Mike Property") located near Houston, British Columbia and contiguous to the Dungate Property described above.

In accordance with the Mike Agreement, the Company had the option to acquire its 100% undivided interest in the Mike Property by paying \$2,500 in cash upon execution of the Mike Agreement and by issuing a total of 112,500 common shares of the Company to the Optionor and making further cash payments totaling \$35,000. There was no work commitment.

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5. EXPLORATION AND EVALUATION ASSET (continued)

	Number of Common Shares	Cash
On execution of the agreement (completed)	-	\$ 2,500
On or before the listing of the Company's common shares on a Canadian Stock Exchange (completed)	7,500	-
On the first anniversary of the Mike Agreement (completed)	15,000	5,000
On or before the second anniversary of the Mike Agreement (completed)	30,000	10,000
On or before the third anniversary of the Mike Agreement (completed) (Note 7)	60,000	20,000
Total	112,500	\$ 37,500

The Optionor will retain a 2% Net Smelter Returns royalty on the Property. The Company has the right to purchase 1% of the royalty for \$1,000,000 at any time prior to the commencement of commercial production.

The terms of the Option Agreement for the Mike Property were satisfied during the year ended October 31, 2022 and title to the claims comprising the property was transferred to the Company on October 13, 2022.

As the title claims for both the Dungate Property and the Mike Property are continuous and part of the same geological formation, the Company has grouped all the expenditures under the Dungate Property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2023	October 31, 2022
Accounts payable	\$ 1,136	\$ 84
Accrued liabilities	18,000	21,000
Total	\$ 19,136	\$ 21,084

7. 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 October 31, 2023: 17,088,294 (October 31, 2022: 13,288,294) common shares.

For the year ended October 31, 2022, the Company had the following share capital transactions:

- (i) The Company issued 180,000 common shares at a fair value of \$53,400 as consideration for the acquisition of exploration and evaluation assets (Note 5).
- (ii) The Company issued 39,000 common shares on the exercise of options for proceeds of \$17,940. The value of these options of \$11,723 was reclassified from share-based payment reserve to share capital.

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7. SHARE CAPITAL (continued)

For the year ended October 31, 2023, the Company had the following share capital transaction.

- (i) The Company closed a non-brokered private placement of 3,800,000 units at \$0.05 per unit for gross proceeds of \$190,000. Each unit is comprised of one common share and one warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of \$0.08 per share until March 31, 2025 (refer to Note 7c)).

c) Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the years ended October 31, 2023 and 2022:

	Number of warrants	Expiry	Weighted Average Exercise Price	Weighted Average Exercise Period (years)
October 31, 2021	3,581,231		\$ 0.60	0.42
Expired	(2,814,575)	Feb. 17, 2022	0.60	-
Expired	(605,000)	June 23, 2022	0.70	-
October 31, 2022	161,656		\$ 0.20	0.58
Issued	3,800,000	March 31, 2025	0.08	2.00
Expired	(161,656)	May 29, 2023	0.20	-
October 31, 2023	3,800,000		\$ 0.08	1.42

As at October 31, 2023, the following warrants were outstanding:

Expiry	Number of warrants	Weighted Average Exercise Price	Weighted Average Exercise Period (years)
March 31, 2025	3,800,000	\$ 0.08	1.42

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7. SHARE CAPITAL (continued)

d) Stock Options

The following is a summary of the changes in the Company's stock options for the years ended October 31, 2023 and 2022:

	Number Options		Weighted Average Exercise Price
Outstanding, October 31, 2021	992,500	\$	0.40
Granted	100,050		0.46
Exercised	(39,000)		0.46
Cancelled	(230,000)		0.50
Outstanding, October 31, 2022	823,550	\$	0.38
Granted	475,000		0.10
Expired	(150,000)		0.20
Cancelled	(61,050)		0.46
Outstanding, October 31, 2023	1,087,500	\$	0.28
Exercisable, October 31, 2023	1,087,500	\$	0.28

The Company applies the fair value method in accounting for its stock options applying the Black-Scholes Option Pricing Model using the following weighted average estimates:

	October 31, 2023	October 31, 2022
Share price	\$0.10	\$0.46
Risk free interest rate	3.41%	1.33%
Expected life	3.0 years	3.0 years
Expected volatility	127%	107%
Expected forfeiture rate	Nil	Nil
Expected dividends	Nil	Nil

For the purposes of estimating the fair value of options using Black-Scholes Option Pricing Model, certain assumptions are made such as expected dividend yield, volatility of the market price of the Company's shares, risk-free interest rates and expected average life of the options.

During the year ended October 31, 2023, the Company recognized \$19,086 (October 31, 2022 - \$30,073) in share-based compensation for the options vested during the year.

As at October 31, 2023, the following options were outstanding and exercisable:

Expiry Date	Number Options		Weighted Average Exercise Price	Weighted Average Exercise Period (years)
November 13, 2023*	200,000	\$	0.24	0.04
February 19, 2024	412,500	\$	0.50	0.30
December 9, 2025	475,000	\$	0.10	2.11
	1,087,500	\$	0.28	1.04

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7. SHARE CAPITAL (continued)

* These options expired unexercised on November 13, 2023 (Note 13).

e) Escrow Shares

As at October 31, 2023, the Company held no shares in escrow (October 31, 2022 – 600,000).

8. 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 or is a member of key management. 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.

The Company has incurred the following key management personnel cost from related parties:

	Year ended October 31, 2023	Year ended October 31, 2022
Management fees	\$ 60,000	\$ 60,000
Professional fees	18,000	18,000
Geological services	-	10,200
Share-based payments	16,072	-
Total	\$ 94,072	\$ 88,200

Management fees were incurred from a private company controlled by the Chief Executive Officer of the Company. Professional fees were incurred from a private company controlled by the Chief Financial Officer of the Company. Geological services were incurred from a private company controlled by a Director. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

During the year ended October 31, 2023, the Company recognized share-based payments expenses totaling \$16,072 (October 31, 2022 - \$Nil) relating to stock options granted to directors and officers of the Company.

9. 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 properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital 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.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

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;

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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 is 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 October 31, 2023 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash	\$ 903,174	\$ -	\$ -	\$903,174

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2023 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. 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. The Company is not exposed to significant foreign currency risk.

(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.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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 and amounts receivable. To minimize the credit risk the Company places these instruments with a high quality financial institution. The majority of cash is deposited in a bank account held with a major Canadian bank. The Company has secondary exposure to credit risk on its amounts receivable. This risk is minimal as receivables consist primarily of refundable goods and services taxes owing from the Government of Canada and exploration tax credits owing from the Government of British Columbia.

(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. The Company's liquidity risk has been assessed as high.

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended October 31, 2023 and 2022 the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Year ended	
	October 31, 2023	October 31, 2022
Fair value of shares issued for mineral property option payments	\$ -	\$ 53,400

12. INCOME TAXES

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	October 31, 2023	October 31, 2022
Net loss before income taxes	\$(148,044)	\$(506,049)
Statutory tax rate	27%	27%
Expected income tax expense	(39,972)	(136,633)
Permanent differences and other	40,251	13,916
True up of prior year	(10,638)	(5,299)
Increase in unrecognized deferred tax assets	10,359	128,016
Deferred income tax expense	\$ -	\$ -

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12. INCOME TAXES (continued)

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	October 31, 2023	October 31, 2022
Deferred income tax assets:		
Non-capital losses carried forward	\$ 344,554	\$ 295,768
Capital asset pool	1,016	1,016
Share issuance costs	22,596	34,862
Unrecognized deferred tax assets	(147,838)	(137,479)
Deferred income tax liability:		
Exploration and evaluation assets	(220,328)	(194,167)
Net deferred income tax liability	\$ -	\$ -

As at October 31, 2023, the Company had the following non-capital losses that may be applied against future income for Canadian income tax purposes.

Expiring	Amount
2038	\$ 38,553
2039	26,682
2040	47,223
2041	432,871
2042	550,100
2043	180,695
	\$ 1,276,124

As at October 31, 2023, the Company had \$1,276,124 (2022 - \$865,340) in exploration and evaluation asset pools that may be applied against future income for Canadian income tax purposes.

13. SUBSEQUENT EVENT

- a) On November 13, 2023, 200,000 stock options exercisable at \$0.24 per share expired unexercised.