STELLAR AFRICAGOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JULY 31, 2024 AND 2023
(Expressed in Canadian dollars)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Stellar AfricaGold Inc.

Opinion

We have audited the consolidated financial statements of **Stellar AfricaGold Inc.** ("the Company"), which comprise the consolidated statements of financial position as at July 31, 2024 and July 31, 2023 and the consolidated statements of comprehensive loss, consolidated statements of shareholders' equity (deficiency) and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Stellar AfricaGold Inc.** as at July 31, 2024 and July 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred a net loss for the year of $690,939, and has a deficit of $26,517,345 and has incurred losses since its inception. 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 consolidated financial statements of the the year ended July 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have identified no other key audit matters other than the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report.

<u>Discontinued Operations - Stellar Pacific Mali SARL</u>

Description of the matter

We draw attention to Note 15 to the consolidated financial statements. During the year, the Company sold the common shares of its 100% subsidiary Stellar Pacific Mali SARL.

Why the matter is a key audit matter

We identified the sale of subsidiary as a key audit matter given the fact this was a one time event and given the complexity of the standards surrounding accounting and presentation related to discontinued operations.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

- Assessment as to whether Stellar Pacific Mali meets the definition of discontinued operations
- Review to ensure presentation and disclosure of the actiity of Stellar Pacific Mali for the years ended July 31, 2024 and July 31, 2023 and its related sale are in accordance with IFRS 5 Non-current asset held for sale and discontinued operations

To the Shareholders of Stellar AfricaGold Inc. (Continued)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 it 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 consolidated financial statements.

As a 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 consolidated 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 a 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 consolidated 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 condition may cause the Company to cease to continue as a going concern.

To the Shareholders of Stellar AfricaGold Inc. (Continued)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
November 14, 2024

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

STELLAR AFRICAGOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at,	**July 31, 2024**	July 31, 2023
	$	$
ASSETS		
Current		
Cash	**26,625**	59,291
Prepaid expenses (Note 5)	**1,280**	2,233
Sales taxes receivable	**9,279**	7,131
Mosaic Minerals Corp marketable securities (Note 6)	**172,280**	301,490
Total Current Assets	**209,464**	370,145
Total Assets	**209,464**	370,145
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	**158,951**	189,689
Payable to related parties (Note 9)	**596,823**	205,201
Total Liabilities	**755,774**	394,890
Shareholders' Equity (Deficiency)		
Share capital (Note 7)	**20,649,164**	20,556,109
Warrants (Note 7)	**923,709**	923,709
Contributed surplus (Note 7)	**4,398,162**	4,321,843
Deficit	**(26,517,345)**	(25,826,406)
Total Shareholders' Equity (Deficit)	**(546,310)**	(24,745)
Total Liabilities and Shareholders' Equity (Deficiency)	**209,464**	370,145

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

These financial statements were approved and authorized for issue by the Board of Directors on November 14, 2024. They are signed on the Company's behalf by:

John Cumming — Director

J. Francois Lalonde — Director

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

STELLAR AFRICAGOLD INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the years ended,	
	July 31,2024	July 31, 2023
	$	$
Expenses		
Administration fees	**39,878**	36,409
Consultant fees (Note 9)	**10,200**	164,574
Exploration and evaluation (Notes 8)	**128,000**	270,755
Management fees (Note 9)	**240,000**	268,527
Other operational expenses	**55,050**	92,263
Professional fees	**73,538**	78,328
Project supervision (Note 9)	**-**	75,000
Registration and investor relations	**10,417**	125,976
Share based compensation expense (Note 7)	**76,319**	-
Loss before other income (expenses)	**(633,402)**	(1,111,832)
Other income (expenses)		
Fair value adjustment on marketable securities (Note 6)	**(129,210)**	(86,140)
Realized gain on sale of marketable securities (Note 6)	**-**	1,767
Write-off of accounts payable	**14,707**	71,400
Gain on debt settlement	**135,833**	-
Foreign exchange gain (loss)	**(611)**	13,560
Gain on loan forgiveness	**20,070**	-
Write-off of payable to related party	**2,475**	30,000
CRA Interest and penalty (Note 12)	**(137,114)**	-
Taxes paid	**-**	(1,468)
Net loss for the year before income taxes for continuing operations	**(727,252)**	(1,082,713)
Deferred income tax (expense) recovery for continuing operations	**41,950**	(22,598)
Net loss and comprehensive loss for the year for continuing operations	**(685,302)**	(1,105,311)
Net loss and comprehensive loss for the year for discontinued operations (Note 15)	**(5,637)**	(61,100)
Net loss and comprehensive loss for the year	**(690,939)**	(1,166,411)
Basic and diluted loss per share for continuing operations	**(0.06)**	(0.10)
Basic and diluted loss per share for discontinued operations	**(0.00)**	(0.01)
Basic and diluted loss per share for the year	**(0.06)**	(0.10)
Weighted average number of shares outstanding – Basic and diluted	**11,456,408**	11,144,834

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

STELLAR AFRICAGOLD INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
For the years ended July 31, 2024 and 2023
(Expressed in Canadian dollars)

	SHARE CAPITAL					
	SHARES #	AMOUNT $	WARRANTS $	CONTRIBUTED SURPLUS $	DEFICIT $	TOTAL EQUITY (DEFICIT) $
Balance, July 31, 2022	11,135,245	20,543,609	923,709	4,321,843	(24,659,995)	1,129,166
Shares issued for exploration and evaluation	25,000	12,500	-	-	-	12,500
Net and comprehensive loss for the year	-	-	-	-	(1,166,411)	(1,166,411)
Balance, July 31, 2023	**11,160,245**	**20,556,109**	**923,709**	**4,321,843**	**(25,826,406)**	**(24,745)**
Balance, July 31, 2023	**11,160,245**	**20,556,109**	**923,709**	**4,321,843**	**(25,826,406)**	**(24,745)**
Shares issued for debt settlement	**905,551**	**90,555**	**-**	**-**	**-**	**90,555**
Share based compensation expense (Note 7)	**-**	**-**	**-**	**76,319**	**-**	**76,319**
Shares issued for exploration and evaluation	**25,000**	**2,500**	**-**	**-**	**-**	**2,500**
Net and comprehensive loss for the year	-	-	-	-	**(690,939)**	**(690,939)**
Balance, July 31, 2024	**12,090,796**	**20,649,164**	**923,709**	**4,398,162**	**(26,517,345)**	**(546,310)**

On May 24, 2024, the Company consolidated its shares on a ten (10) pre-consolidated to one (1) post-consolidation share basis. These consolidated financial statements reflect the post-consolidated shares.

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

STELLAR AFRICAGOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended July 31, 2024 and 2023
(Expressed in Canadian dollars)

	July 31, 2024 $	July 31, 2023 $
OPERATING ACTIVITIES		
Net loss for the year from continuing operations	**(682,302)**	(1,105,311)
Items not involving cash:		
Fair value adjustment on marketable securities	**129,210**	86,140
Deferred income expense (recovery)	**(41,950)**	22,598
CRA Interest and penalty	**137,114**	-
Share based compensation expense	**76,319**	-
Gain on debt settlement	**(135,833)**	-
Gain on sale of marketable securities	**-**	(1,767)
Shares and warrants issued for exploration property	**2,500**	12,500
Gain on loan forgiveness	**(20,070)**	-
Write-off of payable to related party	**(2,475)**	(30,000)
Write-off of accounts payable	**(14,707)**	(71,400)
Change in non-cash operating working capital:		
Change in trades and other payables	**102,287**	122,026
Change in sales taxes receivable	**(2,148)**	32,393
Change in prepaid expenses	**953**	145,847
Change in related parties payable	**394,097**	110,625
Cash flows used in operating activities from continuing operations	**(60,005)**	(676,349)
Loss (gain) for the year from discontinued operations	**(16,825)**	(83,698)
Net cash used in operating activities	**(76,830)**	(760,047)
INVESTING ACTIVITY		
Proceeds from sale of subsidiary	**44,164**	-
Proceeds from sale of marketable securities	**-**	82,137
Cash flows provided by investing activity	**44,164**	82,137
Net change in cash	**(32,666)**	(677,910)
Cash, beginning of the year	**59,291**	737,201
Cash, end of the year	**26,625**	59,291

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Stellar AfricaGold Inc. and its subsidiaries (hereinafter the "Company" or “Stellar”) focus on exploring for gold in Canada, Republic of Mali, and the Kingdom of Morocco. The Company is a public company listed on the TSX Venture Exchange (the “TSX.V”), trading under the “SPX” symbol, on the OTCQB Venture Market under the “STLXF” symbol, on the Frankfurt Stock Exchange under the “6YP1” symbol. On March 30, 2022, the Company listed for trading on the Tradegate Exchange in Berlin, Germany under the symbol “6YP1”. The Company was incorporated under the Company's Act of British Columbia in April 2006, continued under the Canada Business Corporations Act until January 2019 when it was continued back into British Columbia. The Company’s registered office and its principal place of business is 4908 Pine Crescent, Vancouver, British Columbia, V6M 3P6.

Going Concern

The Company incurred a net loss of $690,939 (2023 - $1,166,411) during the year ended July 31, 2024 and as at that date had an accumulated deficit of $26,517,345 (2023 - $25,826,406). These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. The Company has incurred losses since inception and 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. Management is actively targeting sources of additional financing through alliances with financial 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 circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The adjustments could be material.

Discontinued operations

Discontinued operations are reported when a component of the Company, representing a separate major line of business or geographical area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. Discontinued operations are reported as a separate element on the consolidated statements of comprehensive income (loss) for both the current and comparative periods. When a disposal group is classified as held for sale, assets and liabilities are aggregated and presented as separate line items, respectively, on the consolidated statements of financial position.

During the year ended July 31, 2024, the Company entered into a Share Purchase Agreement to sell all of its shares of Stellar Pacific Mali SARL. The Company sold its ownership in Stellar Pacific Mali SARL on April 12, 2024 (Note 15). The sale of the shares meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued operations*, the results of the discontinued operations for the year ended July 31, 2024 and 2023 are disclosed in Note 15.

2. BASIS OF PRESENTATION

a) Statement of Compliance

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

b) Basis of Measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical-cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value.

c) Basis of Consolidation

The Company's consolidated financial statements include the accounts of the parent Company and its subsidiaries. Subsidiaries are entities in which the Company is exposed or has rights to variable returns from its involvement with the subsidiary and that it has the ability to affect those returns through the power it holds in the subsidiary.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Subsidiaries

Details of the Company's subsidiaries at July 31, 2024 and July 31, 2023 are as follows:

			July 31, 2024	July 31, 2023
Aeos Resources Ltd.	Holding company	Republic of Seychelles	100%	100%
Aucrest SARL	Mineral exploration in Cote d'Ivoire	Republic of Côte d'Ivoire	100%	100%
Stellar Pacific Mali SARL	Mineral Exploration in Mali	Republic of Mali	0%	100%
MGWA Golden Frank, SARL	Mineral exploration in Guinea	Republic of Guinea	0%	80%
AEOS Mineral Resources Ltd.	Mineral exploration in Bahamas	Commonwealth of The Bahamas	100%	0%

On February 23, 2024 the Company completed legal procedures with the Côte d'Ivoire Authorities to transfer ownership of Aucrest SARL from AEOS Resources Seychelles to AEOS Mineral Resources Ltd. (Bahamas). AEOS Resources Seychelles will be allowed to lapse.

d) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent Company and its subsidiaries.

3. MATERIAL ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents as at July 31, 2024 and 2023.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Exploration and Evaluation Expenses

Exploration and evaluation expenses are costs incurred in the course of the initial search of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable. The costs directly related to the acquisition of the mineral property rights and the exploration expenditures incurred during the exploration and evaluation phase are expensed in the period incurred.

The Company will capitalize mineral property development expenditures under property and equipment once technical feasibility and commercial viability of extracting mineral resources are demonstrated. Depletion and amortization of mineral deposits and mine development costs are recorded as the minerals are extracted, based on units of production and engineering estimates of mineable resources or reserves. To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

c) Provisions and Contingent Liabilities

Provisions are recognized when present obligations resulting from past events will likely result in an outflow of economic resources from the Company and that the amounts can be reliably estimated. The timing or amount of outflow may be uncertain.

The measurement of provisions corresponds to the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting data, including risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimates. When possible outflow of economic resources arising from present obligations is considered improbable or remote, no liability is recognized unless it has been taken on the occasion of a business combination.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations.

Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

d) Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-end date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Income taxes (continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority.

e) Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by adjusting the earnings (loss) attributable to ordinary equity holders of the Company and the weighted average number of common shares outstanding for the effects of all dilutive potential ordinary shares which include options and warrants. It is assumed that the dilutive potential ordinary shares were converted into ordinary shares at the average market price at the beginning of the period or the date of issue of potential ordinary shares, if later.

f) Share Capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit recognized from these issuance costs. When shares are issued on the exercise of options and warrants, the share capital account also comprises the costs previously recorded as contributed surplus and warrants. When shares are issued as consideration for the acquisition of a mineral property, they are measured at their fair value according to the quoted price on the date of issue.

g) Unit Placement

Proceeds from unit placements are allocated between shares and warrants issued on a pro rata basis. Proceeds are allocated to shares and warrants according to their relative weighted fair value. The unit's fair value is determined using the quoted price of the shares on the stock exchange and the warrant’s fair value is estimated using the Black-Scholes option pricing model.

h) Flow-through placements

Issuance of flow-through units represents in substance an issue of ordinary shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position. The proceeds received from flow-through units are allocated between share capital, warrants and the liability using the residual method. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred, and recognized in profit or loss as a recovery of deferred income taxes.

i) Share-Based Compensation

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Share-based compensation (continued)

The fair value is measured at grant date, and each tranche is recognized over the period during which the options vest using the graded vesting method. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured indirectly at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

j) Foreign exchange

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss. Nonmonetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

k) Financial Instruments and Risk Management

Financial assets

Classification and measurement

The classification and measurement of financial assets are based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value less, for an item not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue, and are subsequently measured at either (i) amortized cost, (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) at fair value through profit or loss ("FVTPL").

Financial assets measured at amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method. The Company's amounts receivable and due from related parties are classified as financial assets measured at amortized cost.

Financial assets measured at FVTPL

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. 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 profit or loss in the period in which they arise. The Company's cash and cash equivalents and Mosaic Minerals Corp. marketable securities are classified in this category.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial Instruments and Risk Management (continued)

Financial assets measured at FVTOCI

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. The Company does not have any assets classified and measured at FVTOCI.

De-recognition of financial assets

The Company de-recognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on de-recognition are generally recognized in profit or loss.

However, gains and losses on de-recognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial Liabilities

Classification and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Other financial liabilities are non-derivatives and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables, and amounts payable to related parties, are included in this category and represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

De-recognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial Instruments and Risk Management (continued)

Impairment of financial assets

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 twelve month expected credit losses. The Company shall recognize in profit or 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.

Risk Management

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and Level 3 – Inputs that are not based on observable market data.

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk, and other price risk.

Liquidity risk is significant to the Company's consolidated statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal and mineral prices and in particular, the price of gold. To mitigate this market risk, management of the Company actively pursues a diversification strategy with its property holdings.

l) Segment Reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker (i.e., the Chairman and the Board of Directors). The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

m) Newly adopted accounting standards

The International Accounting Standards Board (IASB) has issued IFRS 18, which introduces substantial changes to financial statement presentation and disclosure requirements. The new standard is effective for annual periods beginning on or after January 1, 2027. IFRS 18 is expected to impact the Company's financial reporting, with revisions to the recognition, measurement, and disclosure of various financial statement elements, and replaces IAS 1 Presentation of Financial Statements.

m) Newly adopted accounting standards

Management is in the process of evaluating the implications of IFRS 18 on the Company's financial statements. At this time, it is not possible to provide a reasonable estimate of the effect on the Company's financial position, results of operations, or cash flows.

4. ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, management poses a number of judgments, estimates and assumptions regarding the recognition and valuation of assets, liabilities, income and expenses.

a) Significant Management Judgment

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

Going concern

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

Recovery of receivables

Management reviews receivables on a regular basis, reviewing the history of payments to determine their collectability. Management is of the opinion that the Company's receivables are collectable.

Discontinued operations

The Company uses its judgment to determine whether a component of the Company that has been disposed of meets the criteria of a discontinued operation. The key area that involves management judgment in this determination is whether the component represents a separate major line of business or geographical area of operation.

Determination of functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the respective entity operates; the functional currency of the parent and its subsidiaries is determined to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiary if there is a change in events and/or conditions which determine the primary economic environment.

Control and significant influence

The Company consolidates all entities which are determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of an entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns. The Company applies the equity method to account for its investments when the Company determines that it has significant influence in the investees. Significant influence is the power to participate in the financial and operating policy decision of the investee but not control of those policies and management uses judgment in determining whether significant influence exists. Judgment is exercised in the evaluation of its voting power and potential voting rights by examining all facts and circumstance in determining its powers to participate in the financial and operating policy decisions of an investee.

(Expressed in Canadian dollars)

4. ESTIMATES AND JUDGEMENTS (CONTINUED)

b) Estimation uncertainty

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

Share-based payments

To estimate expenses for share-based payments, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the valuation model chosen. The Company estimated the volatility of its own shares and the expected life and the exercise period of options and warrants granted. The model used by the Company is the Black-Scholes valuation model.

Provisions and contingent liabilities

Judgments and estimates may be used to determine whether a past event has created a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Factors, such as the nature of the claim or dispute, the potential amount to be paid, and the probability of the realization of a loss, are sources of uncertainty in estimates.

5. PREPAID EXPENSES

	July 31, 2024	July 31, 2023
Marketing	$ -	$ 417
OTC annual sustaining fees / TSXV fees	-	536
Geological consulting services	1,280	1,280
	$ 1,280	**$ 2,233**

6. MOSAIC MINERALS CORP. MARKETABLE SECURITIES

During the year ended July 31, 2020, the Company owned 5,200,000 common shares of Mosaic Minerals Corp. (“Mosaic”). During the year ended July 31, 2023, the Company sold 893,000 common shares of Mosaic for gross proceeds of $82,137, resulting in realized gain on sale of $1,767, and reducing its holdings of Mosaic to 4,307,000 common shares.
During the year ended July 31, 2021, the Company’s ownership was further diluted, and common directors resigned from the board of Mosaic. Therefore, management assessed that the Company lost significant influence and the investment in Mosaic was reclassified as an investment carried at FVTPL. As at July 31, 2024, the Company held 5.49% (2023- 6.78%) of the issued and outstanding common shares of Mosaic.

As Mosaic is a publicly traded entity, the fair value of the Company’s investment was determined by the closing market price of Mosaic’s common shares on the CSE as at July 31, 2024 which was $172,280 (2023- $301,490). The fair value was determined in accordance with Level 1 of the fair value hierarchy.

A summary of the Company’s investment in Mosaic is as follows:

	Number of shares	Amount
Balance, July 31, 2022	5,200,000	$ 468,000
Shares sold	(893,000)	(80,370)
Fair value adjustment on marketable securities	-	(86,140)
Balance, July 31, 2023	**4,307,000**	**$ 301,490**
Fair value adjustment on marketable securities	-	(129,210)
Balance, July 31, 2024	**4,307,000**	**$ 172,280**

(Expressed in Canadian dollars)

7. SHARE CAPITAL

i) Authorized

Unlimited number of shares without par value and issued capital of 12,090,796 (2023 – 11,160,245) common shares. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meetings of the Company.

ii) Issued During the year ended July 31, 2024

On April 5, 2024, the Company issued 905,551 common shares with a fair value of $90,555 to settle accounts payable of $226,388, resulting in gain on debt settlement of $135,833.

On May 6, 2024, the Company issued 25,000 common shares with a fair value of $2,500 in connection with the acquisition of the Zuénoula Gold Licence (Note 8).

iii) Issued during the year ended July 31, 2023

On April 17, 2023, the Company issued 25,000 common shares with a fair value of $12,500 in connection with the acquisition of the Prikro Exploration Licence and Zuénoula Exploration Licence (Note 8).

iv) Warrants

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

	July 31, 2024			July 31, 2023		
	Number of warrants		**Average exercise price**	Number of warrants		Average exercise price
Balance, beginning of the year	**1,172,754**	**$**	**1.50**	4,557,231	$	1.50
Granted	**-**		**-**	-		-
Expired	**(1,172,754)**		**(1.50)**	(3,384,477)	$	(1.50)
Balance, end of the year	**-**	**$**	**-**	1,172,754	$	1.50

During the year, 1,172,754 share warrants exercisable at $1.50 per share expired unexercised. There were no warrants outstanding as of July 31, 2024.

v) Share Options

The Company has a rolling stock option plan under which options to acquire common shares of the Company are granted to directors, officers, employees and consultants of the Company. The maximum number of options permitted is limited to ten percent (10%) of the issued capital of the Company from time to time.

The Company's share purchase options are as follows:

	July 31, 2024		July 31, 2023	
	Number of options	**Average exercise price**	Number of options	Average exercise price
Balance, beginning of the year	**540,000**	**$ 0.60**	949,200	$ 0.60
Cancelled	**(460,000)**	**(0.63)**	-	-
Granted	**1,100,000**	**0.07**	-	-
Expired	**-**	**-**	(409,200)	$ (0.50)
Balance, end of the year	**1,180,000**	**$ 0.10**	540,000	$ 0.60
Exercisable options	**1,180,000**	**$ 0.10**	540,000	$ 0.60

(Expressed in Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

v) Share Options (Continued)

The table below summarizes the information related to share options as at July 31, 2024:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Exercise Price	Weighted Average Remaining Life
March 22, 2026	30,000	30,000	-	$ 0.70	1.64
March 9, 2025	40,000	40,000	-	$0.50	0.61
March 9, 2027	10,000	10,000	-	$ 0.50	2.61
July 31, 2029	1,100,000	1,100,000	-	$ 0.07	5.00
	1,180,000	1,180,000	-	$ 0.58	3.50

In estimating the fair value of options issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of the Company's common share price on the TSX-V. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

On July 31, 2024, the Company granted 1,100,000 share options exercisable at $0.07 per share to related parties. The options are exercisable until July 31, 2029. The $76,319 fair value of the options granted was determined using the Black-Scholes option pricing model. The assumptions used to calculate the fair value of the options were based on risk free rate of 3.10%, expected volatility of 232%, expected life of 5 years and a dividend yield of 0%. The options vested immediately on grant.

Expired and cancelled share options

During the year ended July 31, 2024, the Company cancelled 125,000 share options exercisable at $0.50 and 335,000 share options exercisable at $0.70 due to the resignation of one director and voluntary surrender of options by certain consultants and directors.

On November 14, 2022, 349,200 share options exercisable at $0.50 per share expired unexercised.

In December 2022, 60,000 share options exercisable at $0.70 per share expired unexercised.

Granted share options

On March 9, 2022, the Company granted 40,000 share options exercisable at $0.50 per share to a consulting firm. The options are exercisable until March 9, 2025. The fair value of the options granted of $21,426 was determined using the Black-Scholes option pricing model. The assumptions used to calculate the fair value of the options were based on risk free rate of 1.53%, expected volatility of 179%, expected life of 3 years and a dividend yield of 0%. The options vested immediately on the date they were granted.

On March 9, 2022, the Company granted 10,000 share options exercisable at $0.50 per share to a consultant. The options are exercisable until March 9, 2027. The $5,738 fair value of the options granted was determined using the Black-Scholes option pricing model. The assumptions used to calculate the fair value of the options were based on risk free rate of 1.65%, expected volatility of 175%, expected life of 5 years and a dividend yield of 0%. The options vested immediately on grant.

On March 14, 2022, the Company granted 125,000 share options exercisable at $0.50 per share to two directors. The share options are exercisable until March 14, 2027. The fair value of the options granted of $59,546 was determined using the Black-Scholes option pricing model. The assumptions used to calculate the fair value of the options were based on risk free rate of 1.94%, expected volatility of 176%, expected life of 5 years and a dividend yield of 0%. The options vested immediately on the date they were granted.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION EXPENDITURES

	Zuénoula, Côte d'Ivoire	Tichka Est, Morocco	Total expenditures
Acquisition costs	$ 13,200	$ -	$ 13,200
Geological	-	132,690	132,690
Road construction	-	45,570	45,570
Trenching	-	79,295	79,295
Total exploration and evaluation expenditures at July 31, 2023	$ 13,200	$ 257,555	$ 270,755
Acquisition costs	$ 2,500	$ -	$ 2,500
General exploration and expenses	5,500	-	5,500
Geological	-	120,000	120,000
Total exploration and evaluation expenditures at July 31, 2024	$ 8,000	$ 120,000	$ 128,000

As a result of the sale of Stellar Pacific Mali SARL on April 12, 2024, exploration and evaluation expenditures in Mali are reflected in discontinued operations (Note 15).

Lullwitz-Kaepelli Gold Property

During the year ended July 31, 2020, the Company acquired the Lullwitz-Kaepelli Gold Property comprised of four contiguous mineral claims totaling 231.4 hectares located in the Lacoste and DeSales townships in the Charlevoix area of Quebec (the "L-K Property") for $5,000 cash and the issuance of 300,000 shares of common stock fair valued at $15,000. The property is subject to a 1.5% net smelter return royalty which can be purchased for $500,000.

The claims expired during the year ended July 31, 2023.

Zuénoula Exploration Licence, Côte d'Ivoire

The Company completed the acquisition agreement of a 100% interest in Aeos Resources Ltd. ("Aeos") on November 27, 2020 from Altus Strategies PLC. Aeos owned 100% of Aucrest SARL, an Ivoirian subsidiary that owns the the Zuénoula Exploration Licence both totaling 770 km^2 in Côte d'Ivoire. For accounting purposes, the acquisition was recorded as an asset acquisition as Altus did not meet the definition of a business as defined in IFRS 3.

The consideration for the acquisition was 250,000 units, each unit consisting of one common share and one common share purchase warrant exercisable within two years at $0.70 per share. The fair value of the common shares was determined using the share price of $0.50 per share on the closing date. The fair value of the common share purchase warrants was determined to be $14,510 calculated using the Black-Scholes option pricing model with the following assumptions: expected life of warrants – 2 years; expected volatility – 117.50%; expected dividend yield – 0%; and risk-free rate – 0.27%.

The Company will issue additional shares contingent upon reaching exploration milestones for each permit equal to US$250,000 in value upon achieving the following milestones: a) completion of a NI43-101 resource estimate of not less than 500,000 ounces of gold with not less than 250,000 ounces in the Inferred Resource category, and b) completion of a definitive feasibility study. Due to uncertainty of the likelihood and timing of achieving each milestone, it is not possible to determine a value for the additional shares. Altus will retain a 2.5% Net Smelter Return ("NSR") royalty on each permit. The Company may repurchase up to 1.0% of each NSR for US$500,000 for each 0.5%. The Prikro Exploration licence covers 369.5 km^2 in the Prikro and Koun-Fao Departments in eastern Côte d'Ivoire, approximately 240 km northeast of Abidjan. The Zuénoula project is a 400 km^2 licence (application pending) in the Marahoue Department in central Côte d'Ivoire, approximately 300 km north of Abidjan.

8. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

On February 16, 2023, the Company entered into a Second Amendment Agreement regarding the Zuénoula Gold Licence in Côte d'Ivoire with Altus Strategies Ltd., a wholly owned subsidiary of TSX-V listed Elemental Altus Royalties Corp. ("Elemental Altus"), to modify the existing property purchase agreement and royalty deed.

The agreement is amended: a) to reduce the Net Smelter Royalty to a 1% Net Smelter Royalty with no buy-back, and b) to reduce the additional considerations payable to $500,000 in cash or shares upon reaching 1,000,000 ounces of gold resources with at least 500,000 ounces in the Indicated category. The consideration payable by the Company is the issuance of 25,000 common shares in the Company to Elemental Altus upon TSX Venture Exchange acceptance of the amending agreements and an additional 25,000 shares upon final issuance of the Zuénoula Gold Licence by the Côte d'Ivoire authorities. TSX-V approved the amending agreement, and the Company issued the first 25,000 common shares of the Company with a fair value of $12,500 on April 17, 2023 (Note 7).

The Company received the final decree for the Zuénoula Gold Licence from the Côte d'Ivoire authorities and the second 25,000 common shares of the Company were issued on May 6, 2024 with a fair value of $2,500 (Note 7).

During the year ended July 31, 2024, the Company transferred ownership of Aucrest SARL from AEOS Resources Seychelles to AEOS Mineral Resources Ltd. (Bahamas).

Tichka Est Gold Project

The Company and the Moroccan National Office of Hydrocarbons and Mines ("ONHYM") signed a definitive Exploration Agreement for the acquisition, exploration and development of the gold and multi-elements potential of the Tichka Est property in the Occidental High Atlas region of Morocco pursuant to which Stellar may earn a 90% interest in the Tichka Est project by spending 19,200,000 Moroccan dirhams, approximately US$2,070,000, on exploration of the property over three years. Following the first three-year term or the completion of the proposed agreed exploration program, whichever comes first, a decision either to proceed to a feasibility study or continue exploration will be made by a joint management committee and, if advisable additional exploration may be required prior to proceeding with a feasibility study. All exploration work, including the feasibility study, is at the Company's expense. Upon completion of a positive feasibility study, the permits will be transferred at no additional charge from ONHYM to a new mining company that will be jointly owned by the Company as to 90% and by ONHYM as to 10%. Following the commissioning of the mining operation ONHYM will receive the greater of a 2.5% Net Smelter Return royalty or a lump sum payment of 100,000 Moroccan dirhams, approximately US$10,750. Other than the exploration expenditure requirements there are no additional fees payable.

On January 11, 2022, the Company and ONHYM signed an addendum to the August 18, 2020 Tichka Est exploration agreement whereby four new exploration permits were added bringing the total to seven exploration permits covering 82 km2. Pursuant to the January 11, 2022 addendum, Stellar agreed to incur exploration expenditures of 2,600,000 MAD (Moroccan dirhams) (US$280,000) in the first year and 4,892,000 MAD (US$520,000) in year two on the new permits.

The Company and ONYHM are negotiating a renewal of the Tichka Est agreements.

Namarana Gold Project

On December 14, 2021, the Company, through its former 100% subsidiary Stellar Pacific Mali SARL, secured the Namarana Gold Permit in southwest Mali. During the year ended July 31, 2024, the Company sold Stellar Pacific Mali SARL. (Note 14).

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

The Company's related parties include key management officers and companies held by key management officers. Unless otherwise stated none of the transactions incorporated special terms and conditions and no guarantees were given or received. Key management personnel of the Company are members of the Board of Directors and management.

Key management short-term benefits		July 31, 2024		July 31, 2023
Management fees	$	**240,000**	$	268,527
Consulting		**6,000**		136,000
Project supervision and Exploration fees		**120,000**		115,092
Total compensation	$	**366,000**	$	519,619

Due to related parties		July 31, 2024		July 31, 2023
Due to the President and CEO	$	**256,995**	$	109,098
Due to a company controlled by a Director		**171,903**		51,903
Due to a director of the Company		**160,000**		40,000
Due to a company controlled by the CFO		**7,925**		4,200
Total	$	**596,823**	$	205,201

As at July 31, 2024 and July 31, 2023, the amounts owing to related parties are without interest, unsecured and are due on demand.

10. CAPITAL MANAGEMENT

The Company's capital management objectives are:

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

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which proceeds are committed for exploration work. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

No changes were made in the objectives, policies and processes for managing capital during the year ended July 31, 2024.

11. FINANCIAL INSTRUMENT RISK DISCLOSURES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarized below. The Company focuses on actively securing short- to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The most significant financial risks to which the Company is exposed to are described below.

11. FINANCIAL INSTRUMENT RISK DISCLOSURES (CONTINUED)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company considers interest rate risk related to cash and cash equivalents to be low because of their short-term nature.

Currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. Major capital purchases are made internationally and are transacted in US dollars. A significant portion of the Company's exploration expenditures are transacted in US dollars, Moroccan dirham and West African (CFA) Francs and the Company is thus exposed to risk of major changes in these currencies relative to the Canadian dollar.

The Company's exploration expenditures for its Moroccan project are in US dollars and Moroccan dirhams and the Company's exploration expenditures in Mali are transacted primarily in US dollars and West African (CFA) Francs. Foreign currency invoices are paid primarily in US dollars.

As at July 31, 2024, cash totaling $185 (2023 – $756) was held in US dollars and cash totaling $3,977 (2023– $21,134) was held in West African (CFA) Francs; and accounts payable and accrued liabilities totaling $2,413 (2023 – $30,263) was payable in West African (CFA) Francs and accounts payable and accrued liabilities totalling $Nil was payable in US dollars. Based on forecast exchange rate movements for the next twelve months, assuming all other variables remain constant, the Company considers its financial performance and cash flows would not be materially affected by a weakening or strengthening US dollar or West African (CFA) Franc. The Company does not manage currency risks through hedging or other currency management tools.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's primary exposure to credit risk is on its cash which is held in bank accounts. This risk is low and is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount. Over the past year, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties through private and flow-through financings.

The Company's trade and other payables all contractually mature within three months, except for amounts due to related parties which are payable on demand.

The carrying amounts and fair value of financial instruments presented in the consolidated statement of financial position are as follows:

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENT RISK DISCLOSURES (CONTINUED)

	July 31, 2024		July 31, 2023	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$	**$**	$	$
FINANCIAL ASSETS				
Cash	**26,625**	**26,625**	59,291	59,291
Mosaic Minerals marketable securities	**172,280**	**172,280**	301,490	301,490
FINANCIAL LIABILITIES				
Trade and other payables	**158,951**	**158,951**	189,689	189,689
Payable to related parties	**596,823**	**596,823**	205,201	205,201

12. CONTINGENCIES AND COMMITMENTS

a) During the year ended July 31, 2017, the Company issued flow-though shares in the amount of $335,750. The Company was committed to spend this money on exploration work on its Quebec mineral properties by December 31, 2017 before incurring Part XII.6 tax and extending the deadline to December 31, 2018.

Following an audit, the CRA determined that the required qualifying expenditures were not made by the prescribed deadline and that the amount renounced be reduced to $59,295 and assessed a penalty of $69,114. On January 17, 2022, the Company paid a total of $89,768 to settle the flow-through share penalty of $69,114 plus $20,654 for interest and additional penalties (included within other operational expenses). During the year ended July 31, 2024, the Company settled $135,833 of CRA taxes payable to individual investors through issuance of common shares (Note 7).

13. INCOME TAXES

		2024		2023
Statutory Canadian corporate tax rate		**27%**		27%
Expected current income tax (recovery) expense	**$**	**(187,000)**	$	(317,000)
Non-deductible permanent differences		**18,000**		-
Change in estimate and other		**-**		(3,000)
Application of non-capital loss carry-forwards		**-**		-
Change in deferred tax assets not recognized		**169,000**		320,000
Deferred income tax recovery	**$**	**-**	$	-

The significant components of the Company's deferred tax assets and liabilities are as follows:

		2024		2023
Non-capital loss carry-forwards	**$**	**2,289,000**	$	2,150,000
Share issue costs		**4,000**		16,000
Property and equipment		**7,000**		8,000
Mineral resource properties		**819,000**		736,000
Capital losses		**427,000**		74,000
		3,546,000		2,984,000
Unrecognized deferred tax assets		**(3,546,000)**		(2,984,000)
	$	**-**	$	-

(Expressed in Canadian dollars)

13. INCOME TAXES (CONTINUED)

The Company has not recorded deferred income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward period to utilize these net deferred income tax assets. The Company has available non-capital losses for Canadian income tax purposes of approximately $8,392,000, which may be carried forward to reduce taxable income in future years, if not utilized, expiring in years from 2039 to 2044. The Company has available non-capital losses for income tax purposes in Cote d'Ivoire of approximately $54,000, which may be carried forward to reduce taxable income in future years, if not utilized, expiring in from 2027 to 2029.

14. SEGMENTED INFORMATION

The Company has one operating segment, the exploration and evaluation of mineral properties. Geographic information is as follows:

July 31, 2024		**Canada**		**Western Africa**		**Total**
Current Assets	$	205,487	$	3,977	$	209,464
Total Assets	**$**	**205,487**	**$**	**3,972**	**$**	**209,464**

July 31, 2023		**Canada**		**Western Africa**		**Total**
Current Assets	$	349,167	$	20,978	$	370,145
Total Assets	**$**	**349,167**	**$**	**20,978**	**$**	**370,145**

Segmented comprehensive losses by geographical location are as follows:

July 31, 2024		**Canada**		**Western Africa**		**Total**
Comprehensive income (loss) from continuing operations	**$**	**(688,249)**	**$**	**2,947**	**$**	**(685,302)**
Comprehensive loss from discontinued operations	**$**	**-**	**$**	**(5,637)**	**$**	**(5,637)**

July 31, 2023		Canada		Western Africa		Total
Comprehensive loss from continuing operations	$	(1,070,226)	$	(35,085)	$	(1,105,311)
Comprehensive loss from discontinued operations	$	-	$	(61,100)	$	(61,100)

15. DISCONTINUED OPERATIONS

Stellar Pacific Mali SARL

On April 12, 2024, the Company sold it's 100% owned Malian subsidiary, Stellar Pacific Mali SARL, which held the Namarana Gold Project for total proceeds of $53,084 (25,000,000 West African Francs). During the year ended July 31, 2024, the Company received cash proceeds of $44,164 and paid $8,920 to reduce outstanding debt in Stellar Pacific Mali SARL for total proceeds of $53,084.

	For the year ended July 31, 2024 **$**
Consideration received	53,084
Add net assets as at April 12, 2024:	
Assets	275,768
Liabilities	(275,822)
Total net assets	(54)
Gain on sale of subsidiary	**53,138**

(Expressed in Canadian dollars)

15. DISCONTINUED OPERATIONS (CONTINUED)

Expenses and gains or losses relating to the discontinuance of Stellar Pacific Mali SARL have been eliminated from the profit or loss from the Company's continuing operations and are shown as a single line in the Consolidated Statements of Comprehensive Loss. As a result, the Company's prior year has been restated to present Stellar Pacific Mali SARL as a discontinued operation.

	For the year ended July 31, 2024 $	For the year ended July 31, 2023 $
Expenses		
Consultant fees	5,782	39,218
Exploration and evaluation	9,675	10,450
Foreign exchange loss (gain)	(2,893)	20,544
Professional fees	1,907	619
Other operational expenses	2,354	12,867
Total operating expense	**16,825**	**83,698**
Loss before income taxes from discontinued operations – Stellar Pacific Mali SARL	**(16,825)**	**(83,698)**
Deferred income tax (expense) recovery from discontinued operations – Stellar Pacific Mali SARL	(72,000)	22,598
Net Loss from discontinued operations – Stellar Pacific Mali SARL	**(88,825)**	**(61,100)**
Gain on sale of subsidiary	53,138	-
Deferred income tax recovery on sale of Stellar Pacific Mali SARL	**30,050**	-
Net income from sale of Stellar Pacific Mali SARL	**83,188**	-
Net loss from discontinued operations	**(5,637)**	**(61,000)**

16. SUBSEQUENT EVENTS

Subsequent to year-end, the Company completed a non-brokered private placement of 12,000,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $600,000 (the "Private Placement"). Each Unit comprises of one common share (each a "Share") and one transferable common share purchase warrant (each a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Share at a price of $0.08 for a period of three (3) years from issuance. No commissions or finders' fees were paid in relation to this private placement.

On October 2, 2024, the Company settled $135,600 of debt (the "Debt Settlement") with one arm's length creditor and one non-arm's length creditor of the Company, through the issuance of an aggregate of 2,712,000 common shares in the capital of the Company with a fair value of $0.08 per share.

On November 4, 2024, the Company settled $75,000 of debt (the "Debt Settlement") with one arm's length creditor and one non-arm's length creditor of the Company, through the issuance of an aggregate of 1,250,000 common shares in the capital of the Company with a fair value of $0.09 per share.

On September 17, 2024, the Company granted 1,200,000 stock options exercisable for five years at $0.065 per share to three directors.