

# DLP RESOURCES INC.

## Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2024 and 2023  
(unaudited)

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### Contents

<b>Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements</b>	<b>1</b>
<b>Condensed Interim Consolidated Financial Statements</b>	
Condensed Interim Consolidated Statements of Financial Position	<b>2</b>
Condensed Interim Consolidated Statements of Comprehensive Loss	<b>3</b>
Condensed Interim Consolidated Statements of Changes in Equity	<b>4</b>
Condensed Interim Consolidated Statements of Cash Flows	<b>5</b>
Notes to the Condensed Interim Consolidated Financial Statements	<b>6-23</b>

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, these unaudited condensed interim consolidated financial statements of DLP Resources Inc. for the three months ended July 31, 2024, and 2023 have been prepared by management and approved by the Board of Directors. These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements.

Scott Davis

Carol Li

Chief Financial Officer

Audit Committee

September 27, 2024

**DLP RESOURCES INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

		July 31, 2024	April 30, 2024
	Notes		
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 4,319,807	\$ 1,286,839
Receivables		125,707	19,213
Prepaid expenses and advances		83,409	76,749
<b>Total Current Assets</b>		4,528,923	1,382,801
IGV receivable	3	186,937	-
Mineral properties	4	970,690	782,784
Property, plant and equipment	6	51,935	55,688
Reclamation deposits	5	150,931	150,931
<b>Total Non-Current Assets</b>		1,360,493	989,403
<b>Total Assets</b>		\$ 5,889,416	\$ 2,372,204
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Trade and other payables	9	\$ 1,072,486	\$ 425,354
<b>Total Current Liabilities</b>		1,072,486	425,354
<b>Total Liabilities</b>		1,072,486	425,354
<b>Shareholders' Equity</b>			
Share capital	7	17,759,240	14,326,001
Share-based payment reserves	8	5,975,751	3,321,391
Shares subscribed	7	-	801,982
Accumulated deficit		(18,918,061)	(16,502,524)
<b>Total Shareholders' Equity</b>		4,816,930	1,946,850
<b>Total Liabilities and Shareholders' Equity</b>		\$ 5,889,416	\$ 2,372,204

Nature of operations and going concern (Note 1)

Commitments (Note 4)

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

On behalf of the Board:

***James Stypula***

Director

***Carol Li***

Director

**DLP RESOURCES INC.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

	Notes	Three months ended July 31, 2024	Three months ended July 31, 2023
General and administrative			
Salaries and benefits	9	\$ 259,399	\$ 87,467
Stock-based compensation	8	146,102	59,378
Consulting fees		47,725	33,000
Exploration costs	4 & 9	1,871,477	2,097,373
Office and administrative		26,931	25,875
Transfer agent and filing fees		37,127	2,308
Professional fees		37,004	3,608
Travel		13,886	2,623
Depreciation expense	6	3,753	4,294
Interest income		(24,915)	-
Unrealized foreign exchange loss		(2,952)	15,223
Flow-through share premium recovery		-	(28,134)
Impairment of mineral properties		-	10,000
<b>Loss before income taxes</b>		<u>2,415,537</u>	<u>2,313,015</u>
<b>Net loss and comprehensive loss for the period</b>		<u>\$ 2,415,537</u>	<u>\$ 2,313,015</u>
<b>Loss per share</b>			
Weighted average shares outstanding			
- basic and diluted		120,233,695	95,314,577
<b>Loss per share - basic and diluted</b>		<u>\$ 0.02</u>	<u>\$ 0.02</u>

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

**DLP RESOURCES INC.**  
**Consolidated Statements of Changes in Equity**  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

	Number of shares issued and outstanding	Share capital	Share- based payment reserve	Share subscription received	Deficit	Total shareholders' equity
<b>Balance, May 1, 2023</b>	<b>93,859,510</b>	<b>\$ 10,084,802</b>	<b>\$ 1,872,802</b>	<b>\$ -</b>	<b>\$ (9,408,976)</b>	<b>\$ 2,548,628</b>
Shares issued for cash						
Shares issued on warrants exercised (Note 7 & 8)	3,765,694	1,729,835	(241,766)	-	-	1,488,069
Issued for other consideration						-
Share subscription received (Note 7)	-	-	-	6,000	-	6,000
Stock-based compensation (Note 8)	-	-	59,378	-	-	59,378
Net loss for the period	-	-	-	-	(2,313,015)	(2,313,015)
<b>Balance, July 31, 2023</b>	<b>97,625,204</b>	<b>\$ 11,814,637</b>	<b>\$ 1,690,414</b>	<b>\$ 6,000</b>	<b>\$ (11,721,991)</b>	<b>\$ 1,789,060</b>
<b>Balance, May 1, 2024</b>	<b>104,698,160</b>	<b>\$ 14,326,001</b>	<b>\$ 3,321,391</b>	<b>\$ 801,982</b>	<b>\$ (16,502,524)</b>	<b>\$ 1,946,850</b>
Shares issued for cash						
Private placement (Note 7)	16,059,205	4,124,973	2,298,709	(801,982)	-	5,621,700
Share issue costs (Note 7)	-	(482,185)	-	-	-	(482,185)
Issued for other consideration						
Finder's warrants (Note 7 & 8)	-	(209,549)	209,549	-	-	-
Stock-based compensation (Note 8)	-	-	146,102	-	-	146,102
Net loss for the period	-	-	-	-	(2,415,537)	(2,415,537)
<b>Balance, July 31, 2024</b>	<b>120,757,365</b>	<b>\$ 17,759,240</b>	<b>\$ 5,975,751</b>	<b>\$ -</b>	<b>\$ (18,918,061)</b>	<b>\$ 4,816,930</b>

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

**DLP RESOURCES INC.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in Canadian Dollars)*  
*(Unaudited)*

	Notes	Three months ended July 31, 2024	Three months ended July 31, 2023
<b>Cash flows from operating activities</b>			
Loss for the period		\$ (2,415,537)	\$ (2,313,015)
Adjustment to reconcile loss to net cash used in operating activities:			
Stock-based compensation	8	146,102	59,378
Depreciation expense	6	3,753	4,294
Flow-through share premium recovery	7	-	(28,134)
Impairment of mineral properties	4	-	10,000
Changes in non-cash working capital balances:			
Receivables and IGV receivable		(293,431)	(212,435)
Prepaid expenses and advances		(6,660)	(314,370)
Trade and other payables		702,520	873,484
<b>Total cash outflows from operating activities</b>		<b>(1,863,253)</b>	<b>(1,920,798)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	-	(11,596)
Investment in mineral properties	4	(192,624)	(159,698)
<b>Total cash outflows from investing activities</b>		<b>(192,624)</b>	<b>(171,294)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issuances	7	5,621,700	-
Share issue costs	7	(532,855)	-
Share subscriptions received	7	-	6,000
Proceeds from exercise of warrants	7 & 8	-	1,488,069
<b>Total cash inflows from financing activities</b>		<b>5,088,845</b>	<b>1,494,069</b>
<b>Change in cash</b>		<b>3,032,968</b>	<b>(598,023)</b>
<b>Cash and cash equivalents, beginning</b>		<b>1,286,839</b>	<b>1,964,346</b>
<b>Cash and cash equivalents, end</b>		<b>\$ 4,319,807</b>	<b>\$ 1,366,323</b>

Supplemental disclosures to cash flows (Note 12)

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

## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

DLP Resources Inc. ("DLP" or the "Company") is a publicly traded mineral exploration company and is pursuing opportunities relating to the acquisition and exploration of mineral property interests in British Columbia, Canada and Peru. The Company was incorporated on November 9, 2017 under the laws of Alberta. The registered office and records office of the Company is located at 10<sup>th</sup> Floor, 595 Howe St., Vancouver, V6C 2T5, British Columbia, Canada. The Company's Head Office is located at #201 – 135 – 10<sup>th</sup> Ave. S., Cranbrook, V1C 2N1, British Columbia, Canada.

These condensed interim consolidated financial statements comprise the financial statements of DLP Resources Inc. and its wholly owned subsidiary, DLP Resources Peru S.A.C., incorporated in Peru.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. Realization values may be substantially different from carrying values as shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At July 31, 2024, the Company had no source of operating revenues, had not yet achieved profitable operations and the Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at July 31, 2024, the Company has an accumulated deficit of \$18,918,061 and has working capital of \$3,456,437. The Company's current forecast indicates that it is expected to have sufficient cash available for the next year to continue as a going concern.

## **2. BASIS OF PRESENTATION**

### **a) Statement of Compliance**

These condensed interim consolidated financial statements for the three months ended July 31, 2024, and 2023 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended April 30, 2024, which have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited financial statements for the year ended April 30, 2024.

These Interim Financial Statements were approved for issue by the board of directors on September 27, 2024.

## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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## **2. BASIS OF PRESENTATION (Continued)**

### **b) Basis of measurement**

The condensed interim consolidated financial statements have been prepared on a historical cost basis.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency of DLP Resources Peru S.A.C. is also the Canadian dollar. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars using the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the period-end date and the related translation differences are recognized in net income.

The accounting policies have been applied consistently in all years presented in these Interim Financial Statements, unless otherwise indicated.

### **c) Basis of consolidation**

These Interim Financial Statements include the accounts of the Company and its wholly-owned and controlled subsidiary as described in note 1. Control exists when the Company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the Interim Financial Statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

### **d) Judgments and estimates**

The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The areas involving critical judgments in applying accounting policies that have the biggest impact on the assets and liabilities recognized in the financial statements are as follows:

#### **Economic recoverability and probability of future economic benefits of mineral properties**

Management has determined that acquisition costs, which are capitalized as mineral properties (note 4), have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit that may include geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.



## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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## **2. BASIS OF PRESENTATION (continued)**

### **Going concern evaluation**

As discussed in note 1, these Interim Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Interim Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used and such adjustments could be material.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay 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.

### **e) New IFRS pronouncements**

New IFRS pronouncements that have been issued but are not yet effective at the date of these financial statements are listed below. We plan to apply these amendments in the annual period for which they are first required.

#### ***Amendments to IAS 1 Presentation of Financial Statements***

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

## **3. IGV Receivable**

During the period ended July 31, 2024, the Company recorded \$186,937 (April 30, 2024 - \$nil) of receivables related to the Value Added Taxes ("IGV") in Peru.

**DLP RESOURCES INC.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***4. MINERAL PROPERTIES**

	Aldridge 1	Aldridge 2	Hungry Creek	Moby Dick	NZOU	Aurora Peru	Esperanza Peru	Copper Creek	Total
<b>Net book value, April 30, 2024</b>	\$ 88,962	\$ 48,521	\$ 92,302	\$ 830	\$ 39,375	\$ 473,169	\$ 19,856	\$ 19,769	\$ 782,784
Additions	-	-	-	-	-	170,516	17,390	-	187,906
<b>Net book value, July 31, 2024</b>	<b>\$ 88,962</b>	<b>\$ 48,521</b>	<b>\$ 92,302</b>	<b>\$ 830</b>	<b>\$ 39,375</b>	<b>\$ 643,685</b>	<b>\$ 37,246</b>	<b>\$ 19,769</b>	<b>\$ 970,690</b>

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***4. MINERAL PROPERTIES (continued)****Exploration costs**

During the three months ended July 31, 2024, the Company incurred \$1,871,477 (2023 - \$2,097,373) on exploration costs which have been included on the condensed interim consolidated statements of comprehensive loss. The following tables summarize the exploration costs incurred.

**Three months ended July 31, 2024**

Exploration Costs	General	Redburn	Hungry Creek	Moby Dick	NZOU	Aurora - Peru	Esperanza -		Total
							Copper Creek	Peru	
Geology	\$ -	\$ -	\$ -	\$ -	\$ 12,925	\$ 41,667	\$ -	\$ -	\$ 54,592
Drilling	-	-	-	-	515,595	1,044,370	-	-	1,559,965
Reclamation	2,586	-	-	-	-	-	-	-	2,586
Wages/Travel/Admin	-	-	898	-	9,027	205,685	705	36,241	252,556
Maps & Reproductions	-	-	100	-	383	29	1,266	-	1,778
<b>Total</b>	<b>\$ 2,586</b>	<b>\$ -</b>	<b>\$ 998</b>	<b>\$ -</b>	<b>\$ 537,930</b>	<b>\$ 1,291,751</b>	<b>\$ 1,971</b>	<b>\$ 36,241</b>	<b>\$ 1,871,477</b>

**Three months ended July 31, 2023**

Exploration Costs	General	Redburn	Hungry Creek	Moby Dick	NZOU	Aurora - Peru	Esperanza -		Total
							Copper Creek	Peru	
Geology	\$ -	\$ -	\$ 17,100	\$ -	\$ 24,587	\$ 65,664	\$ 2,375	\$ -	\$ 109,726
Geophysics	-	-	-	-	-	22,365	-	-	22,365
Geochemistry	-	-	419	-	-	3,680	-	-	4,099
Drilling	5,800	-	-	11,517	679,925	885,680	178,203	-	1,761,125
Wages/Travel/Admin	-	355	1,301	-	10,331	179,949	4,662	1,548	198,146
Maps & Reproductions	325	-	843	-	150	69	525	-	1,912
<b>Total</b>	<b>\$ 6,125</b>	<b>\$ 355</b>	<b>\$ 19,663</b>	<b>\$ 11,517</b>	<b>\$ 714,993</b>	<b>\$ 1,157,407</b>	<b>\$ 185,765</b>	<b>\$ 1,548</b>	<b>\$ 2,097,373</b>

## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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#### **4. MINERAL PROPERTIES (continued)**

##### **Aldridge 1 (RJ) and Aldridge 2 (JR) Properties**

The Aldridge 1 (RJ) and Aldridge 2 (JR) mineral properties are separate claim blocks located near Cranbrook B.C. in the East Kootenay region of the province. The Aldridge 1 property is 50 claims totaling 15,444.79 hectares; the Aldridge 2 property is 6 claims totaling 1,939.5 hectares.

On March 1, 2020, the Company entered into a property earn-in agreement (the "Earn-In Agreement") with each of Jonathan Sean Kennedy, R.D. Craig Kennedy, Darlene E. Lavoie, Thomas Peter James Kennedy, Michael Cameron Kennedy and Frederick A. Cook (for Salt Spring Imaging, Ltd.) (together, the "Field Experts"). Under the Earn-In Agreement, the Field Experts have agreed to grant to the Company an option to acquire up to a 100% interest in certain mineral claims: four (4) Son of Captain claims totaling 126.75 ha and the Liger claim totaling 84.31 ha.

In order to exercise the option to acquire a 100% interest in the properties (Aldridge 1, Aldridge 2, and Hungry Creek), the Company issued 450,000 common shares of the Company (the "Earn-In Shares") through the issuance of 112,500 Earn-In Shares per year, over a four-year period, issuable to the Field Experts on a pro-rata basis. A total of 450,000 Earn-In Shares have been issued and the Company has acquired a 100% interest in the properties.

The Field Experts are entitled to a 1% Net Smelter Royalty ("NSR") payable on each of the Properties, with the Company being able to buy back such NSR royalties in exchange for an aggregate of \$1,000,000, payable to the Field Experts on a pro-rata basis at the Company's discretion.

##### **Redburn Creek Property**

The Redburn Creek claims are 12 claim blocks totaling 5,359.12 hectares near Golden, B.C.

The property is owned 100% by the Company and has no ongoing commitments. During the three months ended July 31, 2024, the Company decided to cease exploration on the property and wrote off the previously capitalized costs of \$10,000.

##### **Hungry Creek Property**

The Hungry Creek Property, totalling 38,498 hectares, is comprised of 74 claims (73 claims 100% owned by the Company and 1 claim optioned from the Kennedy Group) and is located west of Kimberley, B.C.

On March 1, 2020, the Company entered into the Earn-In Agreement which added one additional Hungry Miner claim, totaling 62.67 ha, to the property.

## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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#### **4. MINERAL PROPERTIES (continued)**

##### **DD Property**

On July 13, 2020, the Company entered into an option agreement to acquire up to a 75% interest in certain mineral claims known as the DD Property, located in BC. During the three months ended July 31, 2023, the Company terminated the option agreement to acquire up to a 75% interest in the DD Property and wrote off the previously capitalized costs of \$20,000.

##### **Moby Dick Property**

On June 26, 2020, the Company staked the Moby Dick claim totaling 527.27 ha. The property is 100% owned by the Company. During the three months ended July 31, 2024, the Company staked a claim totaling 211 ha.

##### **NZOU Property**

On August 17, 2020, the Company entered into an option agreement with 453999 BC Ltd. ("453") to acquire up to a 100% interest on two mineral claims, totaling 822.2 ha, known as the NZOU Property.

Under the terms of the option agreement, the Company earned a 51% interest in the NZOU Property by:

- incurring exploration expenditures of \$15,000 by December 1, 2020 (incurred).
- issuing 75,000 common shares to 453 within 20 days of the date upon which the TSX Venture Exchange approves the option agreement (issued);
- issuing 75,000 common shares to 453 by February 28, 2021 (issued);
- incurring exploration expenditures of \$50,000 by December 31, 2021 (incurred);
- issuing 75,000 common shares to 453 by February 28, 2022 (issued); and
- issuing 75,000 common shares to 453 by February 28, 2023 (issued).

The Company can earn an additional 25% interest, bringing their total interest in the property to 75%, by making a cash payment of \$100,000 to 453 by December 31, 2024.

The Company can earn an additional 25% interest, bringing their total interest in the property to 100%, by issuing 100,000 common shares to 453 by December 31, 2025.

453 will retain a 2.0% of NSR on the property. The Company will be entitled at any time to purchase up to 50% of the Royalty (being equal to 1.0% of NSR) from 453 for cash consideration of \$1,000,000.

For the three months ended July 31, 2024, the Company spent \$537,930 (2023 - \$714,993) on the NZOU property.

##### **Aurora – Peru Property**

On November 25, 2021, the Company entered into an option contract and mining assignment agreement (the "Option") with SMRL Parobamba II ("SP II") whereby the Company can acquire a 100% interest in one mining concession comprising the Aurora Project.

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***4. MINERAL PROPERTIES (continued)****Aurora – Peru Property (continued)**

In order to earn an undivided 100% ownership interest in the Aurora Project in accordance with the Option, the Company must make the following cash payments to SP II (all of which include all applicable taxes) and incur exploration expenditures on the Aurora Project as follows:

<b>Event</b>	<b>Cash Payments (Cumulative)</b>	<b>Property Work Commitment (Cumulative)</b>
Execution of letter of intent	US\$5,000 (paid)	Nil
Signing of option agreement	US\$75,000 (paid)	Nil
The latest of 6 months from the date of execution of the option agreement, or the date on which the last of the permits required for drilling the Aurora Project is approved and issued (the "Effective Date")	US\$150,000 (paid)	Nil
Within 12 months of the Effective Date	US\$225,000 (paid)	US\$400,000 (completed)
Within 18 months of the Effective Date	US\$300,000 (paid)	
Within 24 months of the Effective Date	US\$400,000 <sup>1</sup>	US\$950,000 (completed)
Within 30 months of the Effective Date	US\$475,000	
Within 36 months of the Effective Date	US\$675,000	US\$1,750,000 (completed)
Within 42 months of the Effective Date	US\$750,000	
Within 48 months of the Effective Date	US\$3,000,000	US\$3,000,000 (completed)
	<b>US\$3,000,000</b>	<b>US\$3,000,000</b>

<sup>1</sup> US\$100,000 paid during the three months ended July 31, 2024

SP II will retain a 1.5% NSR on the property. The Company will be entitled at any time to reduce the NSR by 1.0% (to 0.5%) for cash consideration of US\$1,000,000. Upon exercising this right, the Company will be entitled to repurchase the remaining 0.5% NSR, reducing the NSR to nil, for cash consideration of US\$500,000.

For the three months ended July 31, 2024, the Company spent \$1,291,751 (2023 - \$1,157,407), on the Aurora – Peru property, which was included on the consolidated statements of comprehensive loss. As of July 31, 2024, the Company had accumulated exploration expenditures of \$6,527,513 on the Aurora – Peru property.

During the three months ended July 31, 2024, the Company incurred \$170,516 (PEN 467,807) in acquisition costs on the Aurora – Peru property, which was included in Mineral Properties on the condensed interim consolidated statement of financial position.

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***4. MINERAL PROPERTIES (continued)****Copper Creek Property**

On August 24, 2021, the Company staked 27 claims totaling 11,296.54 hectares, known as the Copper Creek Property, located north of Kimberly, B.C.

**Esperanza – Peru Property**

During May 2022, the Company staked 5 claims totaling 4,600 hectares known as the Esperanza – Peru property.

**5. RECLAMATION DEPOSITS**

Reclamation bonds are non-interesting bearing funds posted by the Company and held by the BC Government to cover future liabilities concerning un-reclaimed disturbance created by the Company for permitted work performed. The total bond dollars required for each property is determined by the Ministry of Energy and Mines. The bond funds are returned to the Company once the permitted work for a property is completed, and reclamation work is done to a standard approved by the ministry.

As at July 31, 2024, the Company has reclamation bonds on the following properties:

<b>Reclamation Bonds</b>	<b>July 31, 2024</b>	<b>April 30, 2024</b>
Aldridge 1	\$ 10,850	\$ 10,850
Aldridge 2	3,000	3,000
Hungry Creek	48,250	48,250
DD Property	28,000	28,000
Moby Dick	35,800	35,800
Copper Creek	25,031	25,031
<b>Total</b>	<b>\$ 150,931</b>	<b>\$ 150,931</b>

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***6. PROPERTY AND EQUIPMENT**

	Office			
	Furniture &			
	Equipment	Computer	Vehicle	Total
Balance - May 1, 2023	\$ 11,400	\$ 1,586	\$ 42,407	\$ 55,393
Additions - cost	13,440	5,347	-	18,787
Accumulated depreciation and amortization	(4,244)	(1,526)	(12,722)	(18,492)
<b>Net book value, April 30, 2024</b>	<b>\$ 20,596</b>	<b>\$ 5,407</b>	<b>\$ 29,685</b>	<b>\$ 55,688</b>
Balance - May 1, 2024	\$ 20,596	\$ 5,407	\$ 29,685	\$ 55,688
Depreciation and amortization	(1,066)	(461)	(2,226)	(3,753)
<b>Net book value, July 31, 2024</b>	<b>\$ 19,530</b>	<b>\$ 4,946</b>	<b>\$ 27,459</b>	<b>\$ 51,935</b>

**7. SHARE CAPITAL**

The Company is authorized to issue an unlimited number of Class A Common Shares with no par value.

***Activities for the three months ended July 31, 2024***

On May 3, 2024, the Company completed a private placement via the issuance of 16,059,205 units at a price of \$0.40 per Unit for gross proceeds of \$6,423,682, of which \$801,982 was received during the year ended April 30, 2024. Each Unit consists of one common share and one common share purchase warrant, exercisable at a price of \$0.54 per warrant share for a period of 3 years. In connection with the private placement, the Company paid commissions of \$399,750 and legal fees of \$82,435. The Company also issued 999,376 finders' warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of \$0.40 per share, for a period of 2 years from the closing of the financing.

During the three months ended July 31, 2024, the Company incurred \$540,898 of qualified flow-through expenditures. As at July 31, 2024, the Company has satisfied all its flow-through obligations.

***Activities for the year ended April 30, 2024***

On September 28, 2023, the Company completed a private placement via the issuance of 4,000,250 units at a price of \$0.50 per Unit for gross proceeds of \$2,000,125. Each Unit consists of one common share and one common share purchase warrant, exercisable at a price of \$0.80 per warrant share for a period of 2 years. In connection with the private placement, the Company paid commissions of \$44,389 and legal fees of \$34,589. The Company also issued 88,778 finders' warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at a price of \$0.50 per share, for a period of 2 years from the closing of the financing.

On November 1, 2023, the Company completed a private placement via the issuance of 2,622,000 units at a price of \$0.50 per Unit for gross proceeds of \$1,311,000. Each Unit consists of one common share and one common share purchase warrant, exercisable at a price of \$0.80 per warrant share for a period of 2 years.

On December 15, 2023, the Company issued 50,000 common shares of the Company at a deemed price of \$0.24 per share to a consultant of the Company pursuant to a RSU award agreement dated December 15, 2022.



**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***7. SHARE CAPITAL (continued)*****Activities for the year ended April 30, 2024 (continued)***

During the year ended April 30, 2024, the Company issued 4,286,400 shares pursuant to the exercise of warrants at exercise prices ranging from \$0.25 to \$0.40 per share for gross proceeds of \$1,677,645. The Company reallocated the fair value of these warrants previously recorded in the amount of \$278,249 from equity reserves to share capital.

During the year ended April 30, 2024, the Company issued 150,000 shares pursuant to the exercise of options at an exercise price of \$0.20 per share for gross proceeds of \$30,000. The Company reallocated the fair value of these options previously recorded in the amount of \$22,350 from equity reserves to share capital.

During the year ended April 30, 2024, the Company incurred \$1,527,100 of qualified flow-through expenditures and recognized a \$28,134 flow-through share premium recovery on the statement of comprehensive loss. As at April 30, 2024, \$326,069 remained to be spent on qualifying expenditures.

As at April 30, 2024, the Company had received \$801,982 in share subscriptions for a private placement completed subsequent to year end.

**8. WARRANTS, OPTIONS, SHARE-BASED AWARDS****a) Warrants**

Changes in share purchase warrants for the three months ended July 31, 2024 were as follows:

	<b>Warrants</b>	<b>Exercise price (C\$)</b>	<b>Fair value (C\$)</b>	<b>Expiry Date</b>
<b>Outstanding at May 1, 2023</b>	<b>16,387,020</b>	<b>0.39</b>		
Issued for private placement	4,000,250	0.80	571,464	September 28, 2025
Issued for finders	88,778	0.50	22,017	September 28, 2025
Issued for private placement	2,622,000	0.80	354,911	November 1, 2025
Warrants exercised	(4,286,400)	0.39	(278,249)	
Warrants expired	(1,952,667)	0.40	(143,268)	
<b>Outstanding at April 30, 2024</b>	<b>16,858,981</b>	<b>0.55</b>		
Issued for private placement	16,059,205	0.54	2,298,709	May 3, 2027
Issued for finders	999,376	0.40	209,549	May 3, 2026
<b>Outstanding at July 31, 2024</b>	<b>33,917,562</b>	<b>0.49</b>		

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***8. WARRANTS, OPTIONS, SHARE-BASED AWARDS (continued)****a) Warrants (continued)**

As at July 31, 2024, the Company had outstanding and exercisable warrants as follows:

<b>Issue Date</b>	<b>Warrants</b>	<b>Exercise price (C\$)</b>	<b>Expiry Date</b>
November 22, 2022	3,343,200	0.40	November 22, 2024
November 22, 2022	97,824	0.25	November 22, 2024
December 15, 2022	935,600	0.40	December 15, 2024
December 15, 2022	58,492	0.25	December 15, 2024
February 6, 2023	5,168,814	0.40	February 6, 2025
February 6, 2023	261,835	0.27	February 6, 2025
April 5, 2023	282,188	0.40	April 5, 2025
September 28, 2023	4,000,250	0.54	September 28, 2025 <sup>1</sup>
September 28, 2023	88,778	0.50	September 28, 2025
November 1, 2023	2,622,000	0.54	November 1, 2025 <sup>1</sup>
May 3, 2024	16,059,205	0.54	May 3, 2027
May 3, 2024	999,376	0.40	May 3, 2026
	<b>33,917,562</b>	<b>0.49</b>	

<sup>1)</sup> During the period ended July 31, 2024, TSXV approved the reduction in the exercise price of these warrants from \$0.80 to \$0.54.

The Company uses the Black-Scholes option pricing method to estimate the fair value of the finders' warrants. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the finders' warrants issued. The weighted average assumptions used in this pricing model, and the resulting fair values per finders' warrant for those issued during the three months ended July 31, 2024 and the year ended April 30, 2024 were as follows:

	<u>Period ended</u> <u>July 31, 2024</u>	<u>Year ended</u> <u>April 30, 2024</u>
Risk-free rate:	4.16%	4.53% to 4.91%
Expected life:	2 years	2 years
Expected volatility:	100.82%	95.05% to 96.02%
Expected dividends:	Nil	Nil
Weighted average fair value per warrant:	\$0.21	\$0.15

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***8. WARRANTS, OPTIONS, SHARE-BASED AWARDS (continued)****b) Stock Options**

The Company has an incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria.

During the three months ended July 31, 2024, the Company granted 200,000 incentive stock options to consultants of the Company with an exercise price of \$0.36 for a five-year period.

The total stock-based compensation expense for the three months ended July 31, 2024 was \$36,762 (2023 - \$59,378)

Changes in stock options for the period ended July 31, 2024 were as follows:

	Stock Options	Weighted average exercise price (C\$)
<b>Outstanding at May 1, 2023</b>	2,925,000	0.19
Granted	371,860	0.42
Exercised	(150,000)	0.20
<b>Outstanding at April 30, 2024</b>	3,146,860	0.21
Granted	200,000	0.36
<b>Outstanding at July 31, 2024</b>	<b>3,346,860</b>	<b>0.22</b>

**DLP RESOURCES INC.**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***8. WARRANTS, OPTIONS, SHARE-BASED AWARDS (continued)****b) Stock Options (continued)**

As at July 31, 2024, the Company's outstanding share options were as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number outstanding</b>	<b>Weighted-average remaining contractual life (years)</b>	<b>Number exercisable</b>
June 1, 2025	\$0.150	1,000,000	0.84	1,000,000
July 29, 2025	\$0.290	150,000	0.99	150,000
November 29, 2026	\$0.200	650,000	2.33	650,000
July 27, 2027	\$0.200	200,000	2.99	200,000
December 12, 2027	\$0.200	400,000	3.37	266,667
December 29, 2027	\$0.200	375,000	3.41	250,000
January 2, 2029	\$0.430	191,860	4.43	191,860
January 10, 2027	\$0.400	150,000	2.45	50,000
April 9, 2029	\$0.465	30,000	4.69	10,000
June 13, 2029	\$0.360	200,000	4.87	66,667
		<b>3,346,860</b>	<b>2.41</b>	<b>2,835,194</b>

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The expected volatility assumption inherent in the pricing model is based on the historical volatility of the Company's stock over a term equal to the expected term of the option granted. The assumptions used in this pricing model, and the resulting weighted average fair values per option for those granted during the three months ended July 31, 2024 and the year ended April 30, 2024 were as follows :

	<u>Period ended July 31, 2024</u>	<u>Year ended April 30, 2024</u>
Risk-free rate:	3.34%	3.25% to 3.81%
Expected life:	5 years	3 to 5 years
Expected volatility:	110.79%	111% to 112%
Expected dividends:	Nil	Nil
Weighted average fair value per option:	\$0.29	\$0.32

**c) Restricted Share Units**

On December 15, 2022, the Company issued 50,000 Restricted Share Units (the "RSUs") to a consultant of the Company. Each RSU entitles the holder to acquire one common share of the Company upon vesting. All 50,000 RSUs were redeemed on December 15, 2023 (Note 7).

On December 28, 2022, the Company issued 196,000 RSUs to an officer of the Company. All 196,000 RSUs vested on December 29, 2023.

On January 2, 2024, the Company issued 654,650 RSUs to officers and employee of the Company. All 654,650 RSUs will vest on January 2, 2025.

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***8. WARRANTS, OPTIONS, SHARE-BASED AWARDS (continued)****c) Restricted Share Units (continued)**

On April 2, 2024, the Company issued 400,000 RSUs to consultants of the Company. All 400,000 RSUs will vest on April 2, 2025.

On April 9, 2024, the Company issued 10,000 RSUs to a consultant of the Company. All 10,000 RSUs will vest on April 9, 2025.

The total stock-based compensation expense for RSUs for the three months ended July 31, 2024 was \$109,340 (2023 - \$14,387).

As at July 31, 2024, the Company's outstanding Restricted Share Units were as follows:

	Restricted Share Units	Fair Value per Unit (C\$)
<b>Outstanding at May 1, 2023</b>	246,000	0.23
Granted	1,064,650	0.40
Redeemed	(50,000)	0.24
<b>Outstanding at April 30 and July 31, 2024</b>	<b>1,260,650</b>	<b>0.35</b>

**d) Performance Share Units**

On December 28, 2022, the Company issued 314,000 Performance Share Units (the "PSUs") to an officer of the Company. Each PSU entitles the holder to acquire one common share of the Company upon vesting. All 314,000 PSUs will vest on the later of one year from the date of grant and the achievement of 100% of performance requirements or such other milestones as determined by the Company.

The total stock-based compensation expense for the PSUs for the three months ended July 31, 2024, was \$nil (2023 - \$18,204).

As at July 31, 2024, the Company's outstanding Performance Share Units were as follows:

	Performance Share Units	Fair Value per Unit (C\$)
<b>Outstanding at May 1, 2023 and 2024, and July 31, 2024</b>	<b>314,000</b>	<b>0.23</b>

**e) Deferred Share Units**

On January 2, 2024, the Company issued 1,162,795 Deferred Share Units (the "DSUs") to officers of the Company. Each DSU entitles the holder to acquire one common share of the Company upon vesting. All 1,162,795 DSUs will vest on the date the awardee ceases to be an eligible person. For the purpose of this agreement, "eligible person" means a Director, Officer, Employee, Management Company Employee or Consultant of the Company, a subsidiary of the Company, or an Eligible Charitable Organization.

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)***8. WARRANTS, OPTIONS, SHARE-BASED AWARDS (continued)****e) Deferred Share Units (continued)**

The total stock-based compensation expense for the DSUs for the three months ended July 31, 2024 was \$nil (2023 - \$nil).

	Deferred Share Units	Fair Value per Unit (C\$)
<b>Outstanding at May 1, 2023</b>	-	-
Granted	1,162,795	0.40
<b>Outstanding at April 30 and July 31, 2024</b>	<b>1,162,795</b>	<b>0.40</b>

**9. RELATED PARTY TRANSACTIONS**

- a) The Company's related parties include key management personnel and directors and any transactions with such parties for goods and/or services are made on regular commercial terms and are considered to be at arm's length. Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and comprise the Chief Executive Officer, Chief Financial Officer and Vice-President, Exploration of the Company.

The Company incurred the following transaction with key management personnel for the periods ended July 31, 2024 and 2023:

	Three months ended July 31, 2024	Three months ended July 31, 2023
Salaries and benefits	\$ 204,347	\$ 70,330
Salaries included in exploration costs	45,835	34,175
Professional fees	16,500	-
Stock-based compensation	61,249	45,102
	<b>\$ 327,931</b>	<b>\$ 149,607</b>

At July 31, 2024, the Company owed \$5,775 (April 30, 2024 - \$11,550), included in trade and other payables, to an accounting firm of which an officer of the Company is a partner.

- b) In connection with the mineral property assets (note 4), 2 directors shall retain and be entitled to a royalty (the "Royalty") entitling 2 directors to 0.5% each (total of 1%) of all Net Smelter Returns on the area currently comprising the mineral claims named "JR 1", "JR 2" and "JR 3" (collectively, the "Royalty Area") in accordance with the terms and conditions set out. The Royalty shall constitute an interest in land and will be a covenant running with the Royalty Area.

## **DLP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)*

*(Unaudited)*

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## **10. FINANCIAL INSTRUMENT AND RISK MANAGEMENT**

### ***Risk Management***

The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

### ***Fair value***

The Company's consolidated financial instruments include cash, reclamation deposits and trade and other payables. *IFRS 7 Financial Instruments: Disclosures* ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash, reclamation deposits and trade and other payables approximate their respective fair values due to their short-term nature.

### ***Credit risk***

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian and Peruvian bank. The carrying amount of financial assets represents the maximum credit exposure.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The Company does not have any exposure to interest rates.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing other liabilities. Most of the Company's financial liabilities are due within one year.

**DLP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended July 31, 2024 and 2023

*(Expressed in Canadian Dollars)**(Unaudited)*

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**10. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)*****Currency risk***

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company's currency risk is presently limited to cash, receivable, and trade and other payables of the Peruvian subsidiary that is denominated in Peruvian Sol ("PEN"). A 10% decrease (increase) of the value of the Canadian dollar relative to PEN as at July 31, 2024 would result in an additional \$137,817 foreign exchange loss (gain) reported in the Company's condensed interim consolidated statement of comprehensive loss for the three months ended July 31, 2024 (2023 - \$70,994).

**11. CAPITAL MANAGEMENT**

The Company monitors its cash and common shares as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations. The Company is not exposed to any externally imposed capital requirements.

**12. SUPPLEMENTAL DISCLOSURES TO CASH FLOWS**

As at July 31, 2024:

- There was \$5,175 (2023 - \$nil) included in trade and other payables which relates to share issue costs.