REGAL RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Accompanying the July 31, 2024 Consolidated Audited Financial Statements

Dated: December 19, 2024

Management Discussion and Analysis

Accompanying the July 31, 2024 Consolidated Annual Financial Statements

The Management Discussion and Analysis ("MD&A"), prepared as of December 19, 2024 should be read in conjunction with the audited financial statements for the years ended July 31, 2024 and 2023, and the related notes thereto of Regal Resources Inc. ("Regal" or the "Company").

The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

The Company was incorporated under the Business Corporations Act of British Columbia on January 24, 2006. The Company is engaged in the acquisition, exploration and development of its mineral properties, located in Arizona, USA. The Company was suspended from trading on the Canadian Securities Exchange on April 25, 2016, and trading has not been reinstated to date.

The Company has two wholly owned subsidiaries, Regal Resources USA, Inc. and Arizona Standard LLC, a company formed for the development of mineral properties between Regal USA and Arizona Standard (US) Corp.

The Company's head office is located at 1650 Cedar Cres., Vancouver, British Columbia, Canada V6J 2P9 and its registered office is at 1650 Cedar Cres., Vancouver, British Columbia, Canada V6J 2P9.

OVERALL PREFORMANCE/ DISCUSSION OF OPERATIONS

Mineral Property Interests

The Company holds certain mineral claims located in Santa Cruz County, Arizona known as the Sunnyside Property. In August 2017, the Company entered into an arm's length definitive agreement (the "Sunnyside Agreement") with Barksdale Resources Corp. ("Barksdale") to option (the "Option") up to 67.5% of the Sunnyside Property.

The Option is exercisable in two stages with Barksdale entitled to acquire an initial 51% interest in the Sunnyside Property upon making payments to the Company totalling $2,950,000 cash and the issuance of 10,100,000 common shares of Barksdale to the Company and cumulative expenditures of $6,000,000 on the property during the first two years of the Option (following receipt of all required governmental permits). Upon acquiring an initial 51% interest in the Sunnyside Property, Barksdale will be entitled to increase its interest to 67.5% upon payment of an additional $550,000 cash and the issuance of 4,900,000 common shares of Barksdale to the Company and the expenditure of an additional $6,000,000 on the property within a further two-year period.

The following is a summary of Barksdale's Option earn-in requirements:

Period	Cash $	Exploration Requirement $	Number of Shares
To Earn 51% Interest			
Upon execution of Sunnyside Agreements	100,000 (paid)	-	-
Within 3 days following TSXV acceptance of Option	650,000 (paid)	-	1,250,000 (received)
On or before end of Year 1 *	1,200,000	3,000,000	3,850,000
On or before end of Year 2	1,000,000	3,000,000	5,000,000
To Increase Interest to 67.5%			
On or before end of Year 3	-	3,000,000	-
On or before end of Year 4	550,000	3,000,000	4,900,000
Total	**3,500,000**	**12,000,000**	**15,000,000**

*Year 1 commenced on September 7, 2023 ("Commencement Date"), which is the date Barksdale received all required governmental permits including drilling permits to carry out an initial exploration program on the Sunnyside Property. Subsequent to July 31, 2024, on September 5, 2024, the Company received $717,071 from Barksdale and delivery of a share certificate for 3,850,000 shares of Barksdale common stock released from escrow to complete the firs year cash and share payments required under the terms of the Option agreement. The payment received of $717,071 reflects the required gross payment of $1.2 million, net $254,700 previously remitted by Barksdale on behalf of Regal to the original optionors of the Sunnyside property and reflects further offsets by Barksdale of $150,000 of transaction costs and double the costs related to Regal's retention of a proxy agent totaling $78,229, as approved by prior Regal management, with respect to a terminated agreement between Barksdale and Regal in May 2021, whereunder Barksdale attempted to acquire a 100% interest in the Sunnyside property, but did not receive Regal shareholders approval for same. Concurrent with transfer of the initial 51% earn in by Barksdale, the Company will have the option to audit Barksdale's total reported expenditures on the Sunnyside Property to confirm the validity of proposed qualified expenditures under the terms of the Sunnyside Agreement.

Upon Barksdale earning either a 51% interest or 67.5% interest in the Sunnyside Property, the Company and Barksdale will enter into and participate in a joint venture for the purpose of further exploring and developing the property. The Sunnyside Agreements contain provisions for dilution of a party's working interest for failure to fund joint venture cash calls, subject to automatic conversion of a party's interest into a 5% net proceeds interest (not to exceed 90% of the net amount of the party's contributed capital) if diluted to less than 10%. Barksdale will be the operator of the Sunnyside Property during the term of the Option and, if applicable, the joint venture.

<u>The Sunnyside Agreement further provides that:</u>

a) Barksdale drill a minimum of 25,000 feet within one year from Commencement date to earn a 51% interest in the Sunnyside Property and to drill a further 25,000 feet within year two from commencement date to increase their ownership interest in the Sunnyside Property to 67.5%;
b) until such time as Barksdale has earned a 51% interest in the Sunnyside Property, Barksdale will not acquire, directly or indirectly, any common shares of Regal without the prior consent of Regal;
c) Barksdale and the Company have a mutual 15 day right of first refusal to acquire all or any part of Regal's remaining interest in the Sunnyside Property in the event of a proposed sale or transfer of such interest by either party;
d) Barksdale is subject to an acceleration payment clause in the case of change of control or a transfer of the interest in the Sunnyside Property to a third party during the Option earn-in period; and
e) the Sunnyside Agreement is subject to arm's length net smelter returns ("NSR") between 1.5% to 3%.

Barksdale may terminate the Option at any time, in its discretion, subject to satisfying any accrued obligations or liabilities including reclamation requirements, as required.

For the periods ended July 31, 2024 and each fiscal year ended July 31, 2023 and 2022, the Company had the following capitalized mineral property interests:

	Sunnyside Property ($)
Balance, July 31, 2024, 2023, and 2022	671,634

Exploration activity on the property as disclosed and published in Barksdale's Management Discussion and & Analysis filed on https://www.sedarplus.ca/ for the six months ended September 30, 2024, includes the following summary information which information is duplicated in its entirety as an excerpt of the public disclosures included in Barksdale's unaudited interim report. Information extracted from Barksdale's public disclosure documents are reported inside quotation marks and in italics below. References in the excerpt to Company refer to Barksdale and not to Regal Resources Inc.:

"Sunnyside Property – Barksdale's Exploration History

Prior to September 2023, Barksdale's exploration of the Sunnyside Property had been limited to surface exploration. In 2018 and 2019, this consisted of detailed 1:6000 surface geologic mapping, structural analysis, three-dimensional computer modeling and data compilation. A multiple element geostatistical analysis of the 2018 surface geochemical sampling (1,904 samples) collected over the northern half of the Sunnyside Property was also completed.

During the quarter ended December 31, 2019, the Company completed and updated the integrated 3D geological model of the northern half of the Sunnyside property incorporating 1:6000 scale geologic mapping completed in June 2019 with the previously collected data sets acquired from surface geochemistry sampling and geophysical surveys. The updated integrated model has resulted in the identification of additional exploration drill target areas to the south and west of the earlier drill targets identified in 2018 and early 2019.

In September 2023, the Company commenced drilling at the first target, a 765 meter deep core wedge hole, SUN-001. In October 2023, the SUN-001 hole encountered a 20-meter void as it transitioned from volcanics into the targeted carbonate horizon which resulted in its abandonment prior to testing the mineralized horizon. In December 2023, SUN-002 had been completed to a depth of 1,897 meters having intersected multiple zones of porphyry related mineralization including a shallow enrichment blanket, veins, and porphyry mineralization. Mineralization intersected within SUN-002 consisted of chalcocite that was encountered between 332 and 360m. The zone hosts copper mineralization with a strong silver component that correlates well with historic drilling that extends nearly 2km to the northwest. This intercept is correlated with historic drill holes approximately 700m away, showing that an extensive zone of enrichment is present at shallow depths across much of the permitted drill area. Deeper zones of sulfide mineralization were encountered between 1,103-1,203m and 1,248-1,261m depth that displayed disseminated mineralization (chalcopyrite, sphalerite, and molybdenite) as well as quartz-pyrite-chalcopyrite veining up to 2cm diameter with quartz-sericite halos and potassium silicate altered quartz monzonite porphyry. Highlights of results include;

- *27m at 0.33% copper, 13.9 g/t silver, 0.04 g/t gold, 0.13% zinc from 332 meters.*
    - *Including 9.15m at 0.49% copper, 28.8 g/t silver, 0.05 g/t gold, 0.22% zinc from 332 meters.*

In February 2024, the SUN-003 hole intersected the host carbonate stratigraphy as projected by the current exploration model. Thirteen zones of disseminated polymetallic CRD mineralization with narrow intervals of semi-massive sulfides were encountered within carbonate rocks between 65 and 95m northwest of historic hole TCH-2. Highlights of results include;

- *4.97m grading 1.54% zinc, 1.54% lead, 14.90 g/t silver, and 0.01 g/t gold from 1354.97m*
- *5.95m grading 1.67% copper, 0.44% lead, 0.10% zinc, 40.64 g/t silver, and 0.04 g/t gold from*

1383.33m

- *Including 0.98m grading 8.18% copper, 0.12% lead, 0.21% zinc, 114 g/t silver and 0.04 g/t gold from 1385.77m*
- *1.77m grading 0.96% copper, 3.04% zinc, 2.09% lead, 26.69 g/t silver, and 0.08 g/t gold from 1394.52m*
- *Including 0.49m grading 1.42% copper, 9.19% zinc, 5.61% lead, and 67.7 g/t silver and 0.04 g/t gold from 1395.8m*
- *0.76m grading 1.3% copper, 4.99% zinc, 3.56% lead, and 50.6 g/t silver and 0.13 g/t gold from 1405.04m*

In February 2024, the Company announced it was transitioning away from the current drilling contractor at the Sunnyside project and had ceased drilling activities. The Company has initiated a search for a new drilling partner with the expertise necessary to effectively carry out the envisioned wedging/directional drilling program. As of the date of this report, the Company has completed approximately 15,000 ft of drilling.

In March 2024, the Company received final assays from the lower zones of polymetallic CRD mineralization intersected in SUN-003 which included the following results;

- *2.28m grading 1.72% Zn, 0.63% Pb, 13.5 g/t Ag, and 0.016 g/t Au from 1480.57m depth*
- *1.01m grading 0.46% Cu, 11.9% Zn, 3.8% Pb, 377 g/t Ag, and 0.028 g/t Au from 1550.67m depth*

In November 2024, the Company received initial assay results from the drill hole SUN24-002 of Chalcocite zone which included the following results:

- *4.33% copper, 2.45% zinc and 99.7 g/t silver*
    - *Including broader anomalous zones of copper, lead and zinc"*

The Company has no source of revenue other than the property payments required by Barksdale. The Company has sustained losses from operations and has an ongoing requirement for capital investment for its mineral property interests; these conditions cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent primarily upon its ability to obtain necessary financing from the issuance of shares, borrowing or from other sources. The Company is subject to risks and challenges like other mining companies in a comparable stage of operation, exploration, and development. These risks include, but are not limited to, losses, and negative operating cash flow for the foreseeable future, and the Company's dependence on raising cash through debt or equity markets and the successful development of its mineral property interests to satisfy its commitments and continue as a going concern.

Outlook and Economic Conditions

The Company is a mineral exploration company, focused on exploring its property interests, and on identifying potential acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company's mineral exploration activities are currently caried out by Barksdale under the terms of agreement discussed above and these operations are currently restricted to Arizona. The Company's financial success will be dependent upon the extent to which it can define and/or make discoveries of economic mineral deposits. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine timing and quantum with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals defined and/or discovered by the Company is largely dependent upon factors beyond its control, such as prevailing treatment/refining costs and commodities prices from time to time. There are significant uncertainties regarding the prices of base and precious metals and the availability of financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to commodity prices and the successful exploration, discovery and future potential development of its projects. Financial and equity markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. Management regularly monitors economic conditions, estimates their impact on the Company's operations, and incorporates these estimates in both short-term and longer-term strategic planning.

The information provided above is summary in nature, for more details please refer to the Company's news releases available on SEDARPLUS at www.sedarplus.ca.

SELECTED ANNUAL INFORMATION

A summary of selected annual information from the Company's financial statements is as follows:

	2024 **$**	2023 $	2022 $
Total assets	731,838	768,558	767,148
Current liabilities	5,113,700	4,330,610	1,212,301
Total liabilities	5,113,700	4,330,610	3,816,031
Net loss and comprehensive loss for the period	(819,810)	(863,169)	(1,113,591)

RESULTS OF OPERATIONS

The following table sets forth expense items with variances between the fiscal years ended July 31, 2024 and 2023:

	Fiscal 2024 **$**	**Fiscal 2023** **$**	**Increase/(Decrease)** **$**
Expenses			
Finance costs	532,598	560,781	(28,183)
Gain on Modified Debt	(102,226)	-	(102,226)
Foreign exchange	1,622	1,283	339
Management fees	216,000	216,000	0
Office and miscellaneous	8,840	12,667	(3,827)
Professional fees	117,267	54,028	63,239
Regulatory fees	7,582	4,670	2,912
Write-off sales tax receivable	38,127	13,740	24,387
Net loss and comprehensive loss for period	(819,810)	(863,169)	(43,359)

<u>Fiscal Year Ended July 31, 2024</u>

Finance Costs decreased slightly for the 2024 period compared to the 2023 period as the Company paid down certain interest charges related to outstanding loans and includes amortization of debt discounts.

Foreign exchange increased slightly for the 2024 period compared to the 2023 period due to the exchange rate changes for the US dollar as certain of the Company's debt and payables are denominated in US dollars.

The Company recorded a gain on modified debt of $102,226 in fiscal 2024 as a result of the medication to the terms of certain convertible noes payable, extending the repayment date by twelve months, with no similar transaction in fiscal 2023.

Management fees remained constant for the 2024 and 2023 periods and include fees accrued for the Company's CEO and consulting fees accrued for two of the Company's members of the Board of Directors.

Office and miscellaneous expenses decreased from $12,667 (2023) to $8,840 (2024) due to a reduction in bank charges, dues and subscriptions, and office expenses, offset by an increase to consulting fees. Office and miscellaneous expenses for the fiscal year ended July 31, 2024 are comprised of bank charges of $446.50, consulting fees of $6,879, investor relations expenses of $250, dues and subscriptions of $1,194, and office expenses of $71. Office and miscellaneous expenses for the fiscal year ended July 31, 2023 are comprised of bank charges of $575, dues and subscriptions of $3,630, consulting fees of $4,695, investor relations expenses of $885 and office expenses of $2,883.

Professional fees increased substantially from fiscal 2023 to fiscal 2024 as the Company incurred audit fees in fiscal 2024 with no comparable fees in the prior fiscal year. Professional fees for the fiscal year ended July 31, 2024 are comprised of accounting fees of $12,517, legal fees of $24,078 and audit fees of $80,671. Professional fees for the fiscal year ended July 31, 2023, are comprised of accounting fees of $29,536 and legal fees of $24,492.

Regulatory fees are related solely to transfer agent fees which increased in the 2024 period compared to the 2023 period due to the increased use of services for the issuance of certain shares.

The allowance for the write off of sales tax receivables increased substantially period over period as the Company impacted its policy of impairing sales tax receivables which are more than three years old as a result of uncertain collectability due to certain unfiled federal and provincial income tax returns. The Company expects to file its unsubmitted income tax and GST returns to collect any remaining GST receivables as soon as practicable.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

Three Months Ended	Revenue $	General and administrative expenses $	Exploration Expenses $	Net Loss $	Loss Per Share $
July 31, 2024	0	116,814	0	(201,613)[1]	(0.00)
April 30, 2024	0	64,852	0	(164,369)	(0.00)
January 31, 2024	0	81,310	0	(225,420)	(0.00)
October 31, 2023	0	86,713	0	(228,408)	(0.00)
July 31, 2023	0	81,629	0	(267,960) [2]	(0.00)
April 30, 2023	0	66,487	0	(195,767)	(0.00)
January 31, 2023	0	84,459	0	(215,548)	(0.00)
October 31, 2022	0	54,790	0	(183,894)	(0.00)

(1) This includes a write off of GST receivables in the amount of $38,127, finance costs of $532,598, losses on foreign exchange of $1,622 and a gain from debt modifications of $102,226.

(2) This includes a write off of GST receivables in the amount of $13,740, finance costs of $560,781and losses on foreign exchange of $1,283.

The Company had no revenues during the quarters reported above.

There were no exploration expenses incurred during the quarters reported above as a result of certain earn in requirements with respect to an Option Agreement between the Company and Barksdale.

Summary of Results for the Three Months ended July 31, 2024

Finance Costs including interest and amortization of debt discount decreased slightly from $171,716 in the three months ended July 31, 2023 to $148,852 in the three months ended July 31, 2024. There was no amortization of debt discount record in the three months ended July 31, 2024 as a result of the modification to certain repayment terms for convertible debt, with $47,067 in accretion recorded during the three months ended July 31, 2023. Interest expenses included as a part of financing costs increased over the respective three-month periods from $126,649 (2023) to $148,852 (2024) as the Company incurred interest on increased loan balances in 2024 as compared to 2023.

Foreign exchange losses of $56 were decreased during the three months ended July 31, 2024 as compared to $874 reported for the three months ended July 31, 2023 due to the exchange rate changes for the US dollar as certain of the Company's debt and payables are denominated in US dollars.

The Company recorded a gain on modified debt of $102,226 in the three months ended July 31, 2024 as a result of the modification to the terms of certain convertible noes payable during the year, extending the repayment date by twelve months, with no similar transaction in the three months ended July 31, 2023.

Management fees remained constant at $54,000 for each of the three-month periods ended July 31, 2024 and 2023 and include fees accrued for the Company's CEO and consulting fees accrued for two of the Company's members of the Board of Directors.

Office and miscellaneous expenses for the comparative three months decreased from $3,679 (2023) to $2,694 (2024) due to a reduction in general office expenses, offset by an increase to consulting fees. Office and miscellaneous expenses for the three-month ended July 31, 2024 are comprised of bank charges of $119, consulting fees of $1,891, investor relations expenses of $250, dues and subscriptions of $434, and office expenses of $0. Office and miscellaneous expenses for the three months ended July 31, 2023 are comprised of bank charges of $102, dues and subscriptions of $260, consulting fees of $472.50, investor relations expenses of $0 and office expenses of $2,845.

Professional fees increased substantially from $23,036 (2023) to $55,584 (2024) over the comparative three-month periods as the Company incurred audit and legal fees in the three months ended July 31, 2024 with no comparable fees in the prior comparative three month period. Professional fees for the three months ended July 31, 2024 are comprised of accounting fees of $526.50, legal fees of $2,222 and audit fees of $52,835.50. Professional fees for the three months ended July 31, 2023, are comprised of solely of accounting fees of $23,036.

Regulatory fees are related solely to transfer agent fees which increased in the 2024 period to $4,526 compared to $915 in the 2023 period due to the increased use of services for the issuance of certain shares.

During the three months ended July 31, 2024 the allowance for the write off of sales tax receivables increased substantially to $38,127 from only $13,740 in 2023 as the Company impacted its policy of impairing sales tax receivables which are more than three years old as a result of uncertain collectability due to certain unfiled federal and provincial income tax returns. The Company expects to file its unsubmitted income tax and GST returns to collect any remaining GST receivables as soon as practicable.

LIQUIDITY, CAPITAL RESOURCES AND COMMITMENTS

Working Capital and Cash

The Company's cash increased by $92 from $1,852 to $1,944 during the fiscal year ended July 31, 2024.

	July 31, 2024 $	**July 31, 2023 $**
OPERATING ACTIVITIES:		
Net loss for the year	(819,810)	(863,169)
Items not involving cash:		
Accretion of discounts on convertible debentures	107,102	174,168
Gain under modified debt	(102,226)	-

Accrued interest expense	371,865	351,060
Foreign exchange on loan payable	1,173	794
Write off of sales tax receivable	38,127	13,740
Changes in non-cash working capital:		
Sales taxes receivable	(11,315)	(9,135)
Prepaid expenses	10,000	(6,769)
Trade and other payables	189,634	142,837
Net cash used in operating activities	(215,450)	(196,474)

Cash used in operations of $215,450 during the fiscal ended July 31, 2024 was primarily a result of an a decrease in prepaid expenses and increases to trade and other payables, offset by an increase to sales tax receivables.

During the fiscal year ended July 31, 2024, the Company received gross proceeds of $215,542 from loans and advances, of which $11,367 were advances from related parties.

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumptions may be inappropriate.

Capital Management

The Company is an exploration stage company and currently does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as components of deficit. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget to manage its costs and commitments.

The Company's capital management objective is to maximize investment returns to its equity-linked stakeholders within the context of relevant opportunities and risks associated with the Company's operating segment. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors. Establishing and adjusting capital requirements is a continuous management process. Although the Company has been

successful at raising funds in the past through the issuance of share capital and debt, it is uncertain whether it will continue this financing due to uncertain economic conditions. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the fiscal years ended July 31, 2024 and 2023.

Contractual Obligations

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations for the years indicated:

In February 2024 the Company entered into agreements to extend the maturity date of its outstanding convertible debentures originally issued on February 10, 2022, and due on February 12, 2024 (the "**Convertible Debentures**") by one year to February 12, 2025 (the "**Extension**"). Pursuant to the Extension,

all accrued and unpaid interest along with the principal amounts will become due and payable on February 12, 2025.

On February 10, 2022	Face Value $	Equity Portion $	Liability Portion $
Convertible debenture	2,885,000	352,611	2,532,389

The carrying value of the liability portion of the convertible debenture is as follows:

Balance, July 31, 2022	$	2,603,730
Accretion		174,168
Balance, July 31, 2023		2,777,898
Accretion		107,102
Gain on modification		(102,226)
Balance, July 31, 2024		2,782,774

The interest expense recorded in finance costs and interest payable included in trade and other payables during the fiscal years ended July 31, 2024 and 2023 are as follows:

	Fiscal Years Ended	
	2024 **$**	**2023** **$**
Accretion	107,102	174,168
Interest on the note	348,097	346,200
Total	455,199	520,368

Balance, July 31, 2022	$	162,192
Interest expense		346,200
Cash payment		(15,000)
Balance, July 31, 2023		493,392
Interest expense		348,097
Cash payment		(120,915)
Balance, July 31, 2024*	$	720,574

*Of this amount $710,183 ($487,225 – July 31, 2023) reflects interest due and payable to a related party

Loans payable consists of the following loans:

		July 31, 2024 **$**	**July 31, 2023** **$**
May 2017 Loan	(1)	27,615	26,442
Various demand loans	(2)	259,175	55,000
Total		286,790	81,442

Interest and financing costs recorded for the years ended July 31, 2024 and 2023 are as follows:

		Fiscal Years Ended July 31,	
		2024 $	2023 $
May 2017 Loan	(1)	4,120	4,020
Various on demand loans	(2)	18,116	840
Total		22,236	4,860

(1) May 2017 Loan

On May 1, 2017, the Company entered into an unsecured loan with a third party in the amount of US$20,000. The loan bears interest at 15% per annum, was due for repayment in 6 months, and the Company will issue US$2,000 worth of stock at $0.10 per share as a bonus.

During the fiscal year ended July 31, 2023, the Company made cash payments in the amount of US$3,500. During the fiscal year ended July 31, 2024, the Company made cash payments in the amount of US$8,350. Subsequent to the year ended July 31, 2024, the Company retired the loan and accrued interest in full. Shares issuable under the agreement are expected to be issued upon the Company's receipt of a Cease Trade Revocation Order.

Interest payable included in trade and other payables and the principal outstanding in Canadian dollars as at July 31, 2024 and July 31, 2023 as follows:

	July 31, 2024 $	July 31, 2023 $
Interest payable ($) (including stock payable)	15,928	22,382
Loan payable ($)	27,615	26,442

(2) Demand Loans

During the year ended July 31, 2023, the Company entered into various loans with third parties in the accumulated amount of $55,000. The loans bear interest at 10% per annum and are due on demand.

During the fiscal year ended July 31, 2024, the Company entered into various loans with third parties in the accumulated amount of $204,175. The loans bear interest at 10% per annum and are due on demand.

Interest payable included in trade and other payables and the principal outstanding as at July 31, 2024 and July 31, 2023 are as follows:

	July 31, 2024 $	July 31, 2023 $
Interest payable ($)	18,956	840
Loan payable ($)	259,175	55,000

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

Subsequent Events

Between July 31, 2024 and December 19, 2024, the Company repaid loans from various third parties totaling $84,270.

Between July 31, 2024 and December 19, 2024, the Company repaid related parties amounts totaling $190,000 with respect to repayment of previous working capital advances, interest payable on certain convertible loans and management fees.

On September 5, 2024 the Company received $717,071 from Barksdale as well as delivery of a share certificate for 3,850,000 shares of Barksdale common stock from escrow to complete Payment 1 under the terms of that certain Option agreement discussed in Note 3. The payment received of $717,071 reflects the required gross payment of $1.2 million, net $254,700 previously remitted by Barksdale on behalf of Regal to the original optionors of the Sunnyside property and further offsets of $150,000 in transaction costs and double the costs related to Regal's retention of a proxy agent totaling $78,229, as approved by prior Regal management, with respect to a terminated agreement between Barksdale and Regal in May 2021 whereunder Barksdale attempted to acquire a 100% interest in the Sunnyside property, which transaction did not receive the required approval from Regal shareholders.

On August 16, 2024 the Court issued a default judgement in favor of Maxim Law for such amount as assessed by the Registrar. On October 10, 2024 the Company remitted $54,130 in full settlement of the claim including interest, costs and penalties. (Note 12)

On November 22, 2024, the Company received a loan from an unrelated third-party lender in the amount of $5,500. The loan is payable on demand and bears interest at 10% per annum.

TRANSACTIONS BETWEEN RELATED PARTIES

Key Management Compensation

The following related party transactions are in addition to those disclosed elsewhere in these consolidated financial statements:

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation comprises during the fiscal years ended July 31, 2024 and 2023 as below:

	Fiscal Years Ended July 31,	
	2024 **$**	**2023** **$**
Management fees [1]	120,000	120,000
Consulting fees [2]	96,000	96,000
Total	216,000	216,000

[1] During the fiscal years ended July 31, 2024 and 2023 the Company paid or accrued management fees of $10,000 per month for the Company's CEO. A total of $120,000 was paid or accrued for the CEO in the fiscal years ended July 31, 2024 and 2023.

[2] During the fiscal years ended July 31, 2024 and 2023, the Company paid or accrued fees of $4,000 per month each for two members of the Board of Directors for consulting fees commencing October 2021.

As of July 31, 2024 and 2023, the following amounts were included in trade and other payables and due to related parties owing to certain directors, offices and related persons:

	July 31, 2024 $	July 31, 2023 $
Included in trade and other payables:		
Interest payable on loan[5]	1,532	-
Interest payable on convertible debenture (Notes 5 and 6(b)) [1]	710,183	487,225
Trade payables directors and officers	623,899	410,899
	1,335,614	**898,124**
Included in due to related parties:		
Due to CEO and director [2]	135,616	143,164
Due to entity controlled by director [3]	2,505	2,505
Loans payable to a director[5]	22,000	-
Due to a family member of a director and officer[4]	-	3,085
	160,121	**148,754**

1 Interest accrued on the convertible debenture due to a family member of the CEO and director;
2 Advances for working capital purposes provided by the CEO and director. These amounts are interest-free and payable on demand.
3 TAC Gold Corp., an entity controlled by a former director of the Company, advanced $2,505 to the Company for working capital purposes. These amounts are interest-free and payable on demand.
4 Advances for working capital purposes provided by a family member of the CEO and director. These amounts are interest-free and payable on demand.
5 During the fiscal year ended July 31, 2024, the Company entered into loans with members of the Board of Directors in the cumulative amount of $22,000. The loans bear interest at 10% per annum and are due on demand.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying values of loan receivable, trade and other payables, loans payable, and due to related parties approximate their fair values of these financial instruments.

The fair value of a loan receivable approximates its carrying value, as the loan bears interest at the market rate of interest.

Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and loan receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to mitigating liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company has a working capital deficiency at July 31, 2024 of $5,053,496 and will be required to generate additional funding to meet its contractual financial liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company is exposed to interest rate price risk on the loans payable with interest rates from 10% – 15%, and on the convertible debenture with interest rate set at 12%.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars). The Company does not manage currency risk through hedging or other currency management tools.

The Company's net exposure to foreign currency risk is as follows:

	2024 **$**	**2023** **$**
Cash	-	-
Accounts payable	45,521	48,331
Total exposure to currency risk Canadian dollar equivalent	62,853	63,607
Estimated fluctuations in FX	10%	10%
Estimated impact on Company's net loss and comprehensive loss	6,300	6,300

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

There is no change to the Company's approach to risk management during the fiscal years ended July 31, 2024, and 2023.

OUTSTANDING SHARE DATA

Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued

<u>Fiscal 2024</u>

There were no share issuances during the fiscal year ended July 31, 2024.

<u>Fiscal 2023</u>

During the nine months ended April 30, 2023, the Company raised gross proceeds of up to $350,000 through the issuance of units of its securities (the "PP Units") priced at $0.10 per PP Unit. Each PP Unit will be comprised of one common share (each a "PP Share") and one half of one PP Share purchase warrant (each whole warrant, a "PP Warrant"). Each PP Warrant will be exercisable by the holder to acquire an additional PP Share at an exercise price of $0.20 for a period of two years after issuance, subject to the grant of a partial revocation order from the British Columbia Securities Commission, which partial revocation order was successfully granted prior to the closing of each tranche of financing set out below. The warrants were allocated a residual value of $0.

- 250,000 PP shares issued January 5, 2023 for gross proceeds of $25,000
- 1,250,000 PP shares issued January 20, 2023 for gross proceeds of $125,000
- 1,000,000 PP shares issued February 21, 2023 for gross proceeds of $100,000
- 1,000,000 PP shares issued March 2, 2023 for gross proceeds of $100,000

Stock Options

On April 9, 2013, the Company adopted a new stock option incentive plan that reserves for issuance a maximum of 6,972,627 common shares in the capital of the Company (which was 20% of the Company's

then issued and outstanding common shares) for exercise of incentive stock options granted to persons eligible under and governed by the 2013 Plan (the "Plan"). The Company's prior 10% rolling stock option plan was concurrently terminated and all options outstanding under the prior plan are now governed by the Plan.

Under the Plan, the exercise price of any stock option granted may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant, less discount permitted by the policies of the Exchange. The options can be granted for a maximum of ten years and vesting is determined by the Board of Directors at the time of the grant.

There were no stock options issued or outstanding at July 31, 2024 and 2023. The 2013 Stock Option Plan terminated on April 9, 2023. There are currently no stock options plans in effect.

Warrants

A summary of the Company's warrants and changes for the fiscal years ended July 31, 2024 and 2023 are as follows:

	July 31, 2024		**July 31, 2023**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	1,750,000	$ 0.20	14,493,761	$ 0.20
Expired	-	-	-	-
Issued	-	-	-	-
Closing balance	1,750,000	$ 0.20	14,493,761	$ 0.20

A summary of the warrants outstanding is as follows:

	July 31, 2024			**July 31, 2023**		
Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
January 5, 2025	125,000	$0.20	0.45	125,000	$ 0.20	1.45
January 20, 2025	625,000	$0.20	0.48	625,000	$ 0.20	1.48
February 21, 2025	500,000	$0.20	0.56	500,000	$ 0.20	1.56
March 2, 2025	500,000	$0.20	0.59	500,000	$ 0.20	1.59
Total	1,750,000	$0.20	0.53	1,750,000	$ 0.20	153

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

COMMITMENTS

The Company is committed to certain cash payments and share issuances with respect to its convertible debentures and loan agreements.

APPLICATION OF NEW AND REVISED INTERNATION FINANCIAL REPORTING NEW ACCOUNTING STANDARDS ISSUED AND EFFECT

New and amended IFRS standards that are effective for the current year:

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023, with earlier application permitted. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied early effective August 1, 2022 and did not have a material impact on the Company's financial statements.

CRITICAL ACCOUNT POLICIES

Significant accounting estimates and judgments

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

Critical accounting judgments and estimates

Significant judgments made by management in the application of IFRS during the preparation of the consolidated financial statements and estimates with a risk of material adjustment are as follows:

(a) Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumptions may be inappropriate.

(b) Impairment assessment

At each financial position reporting date, the carrying amounts of the Company's long-term assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

While management believes these judgments and estimates are reasonable, actual results could differ from those estimates and could impact future results of comprehensive loss and cash flows. The estimates and underlying assumptions are reviewed on an ongoing basis.

SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

BOARD OF DIRECTORS AND OFFICERS

Our Board of Directors and Officers are as follows:

Gregory Thomas – Director, Chief Executive Officer, President and Secretary
Tony Louie – Director
Drew Brass – Director
Donald McInnes - Director

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financials.