NINE MILE METALS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED DECEMBER 31, 2024

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Nine Mile Metals Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	December 31, 2024	September 30, 2024
ASSETS		
Current assets		
Cash	$ **184,623**	$ 387,469
Amounts receivable	**49,431**	52,133
Prepaid expenses and other assets	**40,153**	30,037
Total current assets	**274,207**	469,639
Non-current assets		
Right-of-use asset (note 3)	**23,503**	27,420
Exploration and evaluation assets (notes 4 and 5)	**4,603,198**	4,603,198
Total assets	$ **4,900,908**	$ 5,100,257
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	$ **174,524**	$ 250,532
Convertible loans (note 6)	**201,000**	191,745
Flow-through share premium liability (note 7)	**83,272**	37,477
Lease liability - current portion (note 8)	**15,633**	15,117
Due to related parties (note 5)	**187,246**	113,254
Total current liabilities	**661,675**	608,125
Non-current liabilities		
Lease liability (note 8)	**9,479**	13,986
Total liabilities	**671,154**	622,111
Shareholders' equity		
Share capital (note 9)	**17,020,918**	16,911,114
Equity reserve (notes 6, 10 and 11)	**1,817,580**	1,808,233
Deficit	**(14,608,744)**	(14,241,201)
Total shareholders' equity	**4,229,754**	4,478,146
Total liabilities and shareholders' equity	$ **4,900,908**	$ 5,100,257

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

Nature of operations and going concern (note 1)
Subsequent event (note 15)

Approved and authorized for issuance on behalf of the Board of Directors on March 3, 2025:

(Signed) "Patrick Cruickshank" Director

(Signed) "Kevin Hicks" Director

Nine Mile Metals Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Expenses		
Amortization of right-of-use asset (note 3)	**$ 3,917**	$ -
Consulting fees (note 5)	**22,500**	22,500
Insurance	**7,891**	7,664
Investor relations	**13,578**	30,688
Management fees (note 5)	**50,000**	57,000
Mineral exploration costs (notes 4 and 5)	**254,791**	249,307
Office and miscellaneous	**5,767**	7,847
Professional fees	**9,369**	45,048
Rent	**3,911**	10,666
Transfer agent and filing fees	**6,730**	17,606
Wages and benefits	**(3,750)**	4,024
Total expenses	**374,704**	452,350
Net loss before other income (expense)	**(374,704)**	(452,350)
Other income (expense)		
Accretion of discount on convertible loans (note 6)	**(9,255)**	(1,130)
Interest expense (notes 6 and 8)	**(7,116)**	-
Interest income	**756**	323
Settlement of flow-through share premium liability (note 7)	**22,776**	1,856
Total other income (expense)	**7,161**	1,049
Net loss and comprehensive loss for the period	**$ (367,543)**	$ (451,301)
Basic and diluted net loss per share	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**79,730,343**	64,577,082

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

Nine Mile Metals Ltd.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Operating activities		
Net loss for the period	**$ (367,543)**	$ (451,301)
Items not involving cash:		
Amortization of right-of-use asset	**3,917**	-
Accretion of discount on convertible loans	**9,255**	1,130
Interest expense on lease liability	**937**	-
Settlement of flow-through share premium liability	**(22,776)**	(1,856)
Changes in non-cash operating working capital:		
Amounts receivable	**2,702**	25,918
Prepaid expenses and other assets	**(10,116)**	(46,153)
Accounts payable and accrued liabilities	**(76,008)**	119,753
Due to related parties	**73,992**	32,121
Net cash used in operating activities	**(385,640)**	(320,388)
Investing activities		
Acquisition of exploration and evaluation assets	**-**	(50,000)
Net cash used in investing activities	**-**	(50,000)
Financing activities		
Proceeds from issuance of units	**213,332**	1,125,000
Share issuance costs	**(25,610)**	(89,618)
Proceeds from convertible loans	**-**	201,000
Debt issuance costs	**-**	(17,625)
Lease payments	**(4,928)**	-
Net cash provided by financing activities	**182,794**	1,218,757
Net change in cash	**(202,846)**	848,369
Cash, beginning of period	**387,469**	446,001
Cash, end of period	**$ 184,623**	$ 1,294,370
Supplemental cash flow information		
Fair value of finder's warrants for share issuance costs	**$ 4,014**	$ 34,711
Fair value of finder's warrants for debt issuance costs	**$ -**	$ 13,849
Fair value of finder's warrants reclassified upon exercise	**$ -**	$ 10,000
Flow-through share premium liability	**$ 68,571**	$ 81,118

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

Nine Mile Metals Ltd.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Number of shares	Share capital	Equity reserve	Deficit	Total
Balance, September 30, 2023	**63,843,387**	**$ 15,629,378**	**$ 1,215,264**	**$ (12,066,314)**	**$ 4,778,328**
Units issued for cash	5,625,000	868,619	256,381	-	1,125,000
Share issuance costs	-	(124,329)	34,711	-	(89,618)
Flow-through share premium liability	-	(81,118)	-	-	(81,118)
Fair value of finder's warrants issued for debt issuance costs	-	-	13,849	-	13,849
Net loss and comprehensive loss for the period	-	-	-	(451,301)	(451,301)
Balance, December 31, 2023	**69,468,387**	**$ 16,292,550**	**$ 1,520,205**	**$ (12,517,615)**	**$ 5,295,140**

	Number of shares	Share capital	Equity reserve	Deficit	Total
Balance, September 30, 2024	**78,998,265**	**$ 16,911,114**	**$ 1,808,233**	**$ (14,241,201)**	**$ 4,478,146**
Units issued for cash	5,638,069	207,999	5,333	-	213,332
Share issuance costs	-	(29,624)	4,014	-	(25,610)
Flow-through share premium liability	-	(68,571)	-	-	(68,571)
Net loss and comprehensive loss for the period	-	-	-	(367,543)	(367,543)
Balance, December 31, 2024	**84,636,334**	**$ 17,020,918**	**$ 1,817,580**	**$ (14,608,744)**	**$ 4,229,754**

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

1. Nature of operations and continuance of business

Nine Mile Metals Ltd. (the "Company") was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. On April 12, 2021, the Company filed a Certificate of Amalgamation, whereby the Company and its wholly-owned subsidiaries, Lynx Gold Mining Corp. and Lynx Gold Corp., were amalgamated as one company under the name Stevens Gold Nevada Inc. On January 18, 2022, the Company changed its name to Nine Mile Metals Ltd. On June 14, 2022, the Company dissolved its wholly-owned subsidiary, Lynx Gold Exploration Corp. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's shares are listed on the Canadian Securities Exchange under the symbol "NINE" and are trading on the OTC Markets Pink Current under the stock symbol "VMSXF". The Company's registered office is located at suite 1500, 800 West Pender Street, Vancouver, British Columbia.

These unaudited condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended December 31, 2024, the Company had no revenues and incurred negative cash flow from operations of $385,640. As at December 31, 2024, the Company had a working capital deficit of $387,468 and an accumulated deficit of $14,608,744. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material accounting policy information

Basis on presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "*Interim Financial Reporting*". These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty in estimates made by management at the unaudited condensed interim statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

(i) The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect fair value estimates and the Company's net loss and its equity reserves.

2. Material accounting policy information (continued)

Use of estimates and judgments (continued)

Critical judgments exercised by management in applying accounting policies that have the most significant effect on the amounts presented in these unaudited condensed interim financial statements are as follows:

(i) Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(ii) The application of the Company's accounting policy exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Recent Accounting Pronouncements

The following new standards and amendments to existing standards have been issued by the IASB and are effective for the period ended December 31, 2024:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
(ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases).

The adoption of these amendments had no material impact on the financial statements.

(Expressed in Canadian Dollars)

3. Right-of-use asset

On April 17, 2024, the Company entered a lease agreement for office space located at suite 1500, 800 West Pender Street, Vancouver, British Columbia (note 8). The Company has recognized a right-of-use ("ROU") asset in respect to this lease, which is included in right-of-use asset on the statement of financial position.

A summary of the Company's right-of-use asset during the year presented was as follows:

Cost		
Balance, September 30, 2023	$	-
Additions		31,337
Balance, September 30, 2024 and December 31, 2024	$	31,337

Accumulated Amortization		
Balance, September 30, 2023	$	-
Depreciation for the year		3,917
Balance, September 30, 2024	$	3,917
Depreciation for the period		3,917
Balance, December 31, 2024	$	7,834

Carrying amounts		
Balance, September 30, 2024	$	27,420
Balance, December 31, 2024	$	23,503

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

Acquisition costs

	Canoe Landing Lake West Project	Canoe Landing Lake East Project	Nine Mile Brook Project	West Nine Mile Brook Project	California Lake Project	Wedge Project	Total
Balance, September 30, 2023	$ 979,600	$ 85,417	$ 3,052,800	$ 59,196	$ 158,667	$ 39,000	$ 4,374,680
Additions	-	59,333	50,000	-	59,333	59,852	228,518
Balance, September 30, 2024 and December 31, 2024	$ 979,600	$ 144,750	$ 3,102,800	$ 59,196	$ 218,000	$ 98,852	$ 4,603,198

Mineral exploration costs

Three months ended December 31, 2024	Canoe Landing Lake West Project	Canoe Landing Lake East Project	Nine Mile Brook Project	West Nine Mile Brook Project	California Lake Project	Wedge Project	Total
Assays	$ -	$ -	$ -	$ -	$ -	$ 6,128	$ 6,128
Camp supplies	-	-	3,581	-	5,135	4,713	13,429
Drilling	-	-	-	-	164,433	-	164,433
Filing fees	-	-	250	-	250	250	750
Geological and geophysics	-	-	-	-	49,718	8,000	57,718
Rentals	-	-	740	-	4,613	6,980	12,333
	$ -	$ -	$ 4,571	$ -	$ 224,149	$ 26,071	$ 254,791

Three months ended December 31, 2023	Canoe Landing Lake West Project	Canoe Landing Lake East Project	Nine Mile Brook Project	West Nine Mile Brook Project	California Lake Project	Wedge Project	Total
Assays	$ -	$ -	$ 957	$ -	$ -	$ -	$ 957
Camp supplies	-	-	6,449	-	11,166	-	17,615
Drilling	-	-	543	-	171,554	3,591	175,688
Geological and geophysics	-	-	8,914	-	21,288	13,420	43,622
Rentals	-	-	406	-	9,166	1,853	11,425
	$ -	$ -	$ 17,269	$ -	$ 213,174	$ 18,864	$ 249,307

4. Exploration and evaluation assets (continued)

(a) On November 28, 2021, the Company entered into a mineral property purchase and sale agreement with Fiddlehead Mining Corp. ("Fiddlehead") to acquire 100% of the rights, title, and interest in the Canoe Landing Lake West Project (the "Canoe Project") and 50% of the rights, title, and interest in the Nine Mile Brook Project (the "Nine Mile Project"), each located in New Brunswick, Canada. Under the terms of the Agreement, the Company was required to pay $25,000 in cash (paid) and issue 21,000,000 common shares (issued).

In addition, under the terms of the agreement, the Company also acquired a mineral property option to acquire the remaining 50% of the rights, title, and interest in the Nine Mile Project and is required to make the following payments:

- $25,000 upon signing the agreement ("Option Fee") (paid);
- $50,000 upon each anniversary of the agreement ("Annual Option Fee”); and
- An additional payment of $3,000,000 less the Option Fee and all Annual Option Fees paid.

The Company is also required to incur an aggregate of $1,000,000 of expenditures on the Nine Mile Project, including at least $500,000 of expenditures on or before 12 months following the effective date of the agreement and a minimum of $150,000 per year of expenditures after the first 12 months.

On November 28, 2024, the Company did not make the anniversary payment or meet the annual exploration expenditures requirements under the option agreement with Fiddlehead. On December 20, 2024, the Company entered into an amending agreement with Fiddlehead to extend the date for the Company to make the third anniversary payment and the minimum expenditures to March 28, 2025.

Fiddlehead retains a 3% Net Smelter Return Royalty ("NSR") on the properties. In connection with the agreement, the Company also issued 630,000 common shares with a fair value of $113,400 as a finder's fee. The finder's fee was considered a transaction-related cost, and the Company recognized the fair value of the 630,000 common shares as part of the acquisition costs of the exploration and evaluation assets.

(b) On March 1, 2022, the Company entered into a property purchase agreement with two individuals (the “Vendors”) to acquire 100% of the rights, title, and interest in 35 claim units around the Nine Mile Brook Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to pay $15,000 in cash (paid) and issue 75,000 common shares (issued).

The vendors retain a 1% NSR on the property, which the Company has the right to purchase for $1,000,000 at any time prior to commencement of commercial production.

(c) On April 25, 2022, the Company entered into a mineral property option agreement to acquire 100% of the rights, title, and interest in 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the Bathurst Mining Camp, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay $100,000 and issue 1,500,000 common shares during a period of up to three years as follows:

- $20,000 and 500,000 common shares upon signing the agreement (paid and issued);
- $20,000 and 333,334 common shares on or before April 25, 2023 (paid and issued);
- $30,000 and 333,333 common shares on or before April 25, 2024; and
- $30,000 and 333,333 common shares on or before April 25, 2025.

The optionor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR or $1,000,000 at any time.

4. Exploration and evaluation assets (continued)

(d) On January 11, 2023, the Company entered into a property purchase agreement to acquire 100% of the rights, title, and interest in the West Nine Mile Brook Project consisting of 29 claim units, located in New Brunswick, Canada. Under the terms of the agreement, the Company is required to issue 232,143 common shares (issued).

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $500,000 at any time.

(e) On February 9, 2023, as amended on February 9, 2024, the Company entered into a mineral property option agreement to acquire 100% of the rights, title, and interest in the Wedge Project consisting of 114 claim units, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay $150,000 and issue 1,200,000 common shares during a period of up to four years as follows:

- $10,000 and 100,000 common shares upon signing the agreement (paid and issued);
- 200,000 common shares on or before February 9, 2024 (issued) and the equivalent of $20,000 of units of the Company upon the completion of the next financing, in which each unit will consist of one common share and one share purchase warrant exercisable at $0.10 per share for a period of 2 years (issued);
- $30,000 and 200,000 common shares on or before February 9, 2025;
- $40,000 and 300,000 common shares on or before February 9, 2026; and
- $50,000 and 400,000 common shares on or before February 9, 2027.

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 at any time.

(f) On August 31, 2023, the Company entered into an asset purchase agreement to acquire 100% of the rights, title, and interest in 49 claim units around the Nine Mile Brook Project and California Lake Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to issue 300,000 common shares (issued).

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 prior to commencement of commercial production.

(g) On September 14, 2023, the Company entered into an asset purchase agreement to acquire 100% of the rights, title, and interest in 23 claim units around the California Lake Project, located in New Brunswick, Canada. Under the terms of the agreement, the Company is required to issue 550,000 common shares (issued).

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 prior to commencement of commercial production.

5. Related party transactions

(a) During the three months ended December 31, 2024, the Company incurred management fees of $22,500 (2023 - $22,500) to the former President and former Chief Executive Officer ("CEO") of the Company. As at December 31, 2024, the Company owed the former President $63,000 (September 30, 2024 - $39,750) which is unsecured, non-interest bearing, and due on demand.

(b) During the three months ended December 31, 2024, the Company incurred management fees of $25,500 (2023 - $25,500), and mineral exploration costs of $4,500 (2023 - $4,500) to a company controlled by the CEO of the Company. As at December 31, 2024, the Company owed the CEO of the Company $51,589 (September 30, 2024 - $30,313) which is unsecured, non-interest bearing, and due on demand.

(c) During the three months ended December 31, 2024, the Company incurred management fees of $nil (2023 - $3,000) to the former Chief Financial Officer ("CFO") of the Company. As at December 31, 2024, the Company owed the CFO of the Company $3,000 (September 30, 2024 - $3,000) which is unsecured, non-interest bearing, and due on demand.

(d) During the three months ended December 31, 2024, the Company incurred directors fees of $2,000 (2023 - $6,000) to a director and former directors of the Company. As at December 31, 2024, the Company owed the directors $14,000 (September 30, 2024 - $12,000) which are unsecured, non-interest bearing, and due on demand.

(e) During the three months ended December 31, 2024, the Company incurred mineral exploration costs of $24,000 (2023 - $24,000) to companies controlled by a director of the Company. As at December 31, 2024, the Company owed the director $24,507 (September 30, 2024 - $645) which is unsecured, non-interest bearing, and due on demand.

(f) During the three months ended December 31, 2024, the Company incurred an aggregate of $nil (2023 - $nil) in mineral exploration costs and $nil (2023 - $50,000) as mineral property option payments to a company controlled by directors of the Company.

(g) During the three months ended December 31, 2024, the Company incurred mineral exploration costs of $4,800 (2023 - $24,085) to a company controlled by the sons of the CEO of the Company. As at December 31, 2024, the Company owed $2,300 (September 30, 2024 - $4,916) to a company controlled by the sons of the CEO of the Company which is unsecured, non-interest bearing, and due on demand.

(h) During the three months ended December 31, 2024, the Company incurred consulting fees of $21,000 (2023 - $21,000) to a company controlled by the son of the former CFO of the Company. As at December 31, 2024, the Company owed $28,850 (September 30, 2024 - $22,630) to the son of the former CFO of the Company which is unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian Dollars)

6. Convertible loans

On December 14, 2023, the Company issued convertible loans for total proceeds of $201,000. The convertible loans bear interest at a rate of 15% per annum and are repayable on December 14, 2024 ("Maturity"). At the election of the lenders, the principal and interest amount of the loans is convertible into units at $0.10 per unit at Maturity. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share for a period of 2 years from the date of conversion. In connection with the issuance of the convertible loans, the Company incurred issuance costs of $17,625 and issued 104,000 finder's warrants with a fair value of $13,849, which are exercisable at $0.10 per common share until December 14, 2025.

The net present value of the liability component of the convertible loans at issuance was $195,890, using a discount rate of 18%, which is the estimated interest rate the Company would pay on a similar debt instrument without a conversion option or warrants. The residual value of $5,110 was allocated to the equity component.

Transaction costs were allocated between the liability and equity components on a relative fair value basis, resulting in $30,674 of transaction costs being allocated to the liability component and $800 being allocated to the equity component.

The discount on the convertible loans totaling $35,784 will be amortized over the term of the convertible loans using the effective interest rate method.

During the three months ended December 31, 2024, the Company recorded accretion expense of $9,255 (2023 - $1,130). As at December 31, 2024, the carrying value of the convertible loans is $201,000 and the Company has recognized accrued interest of $30,150, which is included in accounts payable and accrued liabilities.

Subsequent to December 31, 2024, the convertible loans were settled by the issuance of 11,007,143 units at $0.021 per unit (see note 15).

7. Flow-through share premium liability

The following is a continuity schedule of the liability portion of the flow-through share issuances:

Balance, September 30, 2023	$	-
Liability incurred on flow-through shares issued		121,344
Settlement of flow-through share liability on incurring expenditures		(83,867)
Balance, September 30, 2024		37,477
Liability incurred on flow-through shares issued		68,571
Settlement of flow-through share liability on incurring expenditures		(22,776)
Balance, December 31, 2024	$	83,272

(Expressed in Canadian Dollars)

8. Lease liability

On April 17, 2024, the Company entered into a lease agreement for office space located at suite 1500, 800 West Pender Street, Vancouver, British Columbia. The lease term is 2 years, commencing on July 1, 2024, and expiring on June 30, 2026. The base rent due under the lease agreement is $19,712 per annum. In connection with the lease agreement, the Company paid a security deposit of $5,892, of which $2,946 was applied against the rent due in the second month of the term of the lease.

Balance, September 30, 2023	$	-
Additions		31,337
Lease payments		(3,285)
Interest expense		1,051
Balance, September 30, 2024		29,103
Lease payments		(4,928)
Interest expense		937
Balance, December 31, 2024	$	25,112

The lease liability was discounted using the Company's incremental borrowing rate of 13.5%.

The Company's future minimum lease payments for the office space lease is as follows:

Fiscal year ending September 30, 2025	$	13,141
Fiscal year ending September 30, 2026		14,784
Total lease payments		27,925
Amounts representing interest over the term of the lease		(2,813)
	$	25,112

Current portion of lease liability	$	15,633
Non-current portion of lease liability		9,479
	$	25,112

(Expressed in Canadian Dollars)

9. Share capital

Authorized: Unlimited number of common shares without par value

Share transactions during the three months ended December 31, 2024:

(a) On November 15, 2024, the Company issued 1,066,640 units at $0.05 per unit for gross proceeds of $53,332. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at $0.08 per common share expiring on November 15, 2026. No commissions were paid in connection with the private placement. A value of $5,333 was attributed to the share purchase warrants.

(b) On December 27, 2024, the Company issued 4,571,429 flow-through units at $0.035 per unit for gross proceeds of $160,000. Each unit consisted of one flow-through common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.05 per common share expiring on December 27, 2029. In connection with the private placement, the Company incurred finder’s fees of $11,200 and issued 320,000 finder’s warrants with a fair value of $34,711. Each finder’s warrant is exercisable at $0.035 per common share expiring on December 27, 2029. A value of $4,014 and $68,571 was attributed to the finder's warrants and flow-through share premium liability, respectively, in connection with the financing.

Share transactions during the three months ended December 31, 2023:

(c) On December 19, 2023, the Company issued 5,625,000 flow-through units at $0.20 per unit for gross proceeds of $1,125,000. Each unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.23 per common share expiring on December 19, 2025. In connection with the private placement, the Company incurred finder’s fees of $84,000, share issuance costs of $5,619 and issued 420,000 finder’s warrants with a fair value of $34,711. Each finder’s warrant is exercisable at $0.23 per common share expiring on December 19, 2025. A value of $256,381 and $81,118 was attributed to the share purchase warrants and flow-though share premium liability, respectively, in connection with the financing.

10. Share purchase warrants

The following table summarizes the continuity of the Company’s share purchase warrants:

	Number of warrants	Weighted average exercise price
Balance, September 30, 2023	14,387,651	$ 0.29
Issued	3,336,500	0.23
Balance, December 31, 2023	17,724,151	$ 0.28
Balance, September 30, 2024	14,822,242	$ 0.21
Issued	5,424,749	0.05
Expired	(2,207,812)	0.45
Balance, December 31, 2024	18,039,179	$ 0.13

(Expressed in Canadian Dollars)

10. Share purchase warrants (continued)

As at December 31, 2024, the following share purchase warrants were outstanding:

Expiry date	Exercise price ($)	Number of warrants outstanding
May 31, 2025	0.23	1,783,334
June 14, 2025	0.15	1,535,400
December 14, 2025	0.10	104,000
December 19, 2025	0.23	3,232,500
March 1, 2026	0.10	3,293,968
April 17, 2026	0.11	292,500
April 17, 2026	0.13	2,372,728
November 15, 2026	0.08	533,320
December 27, 2029	0.05	4,571,429
December 27, 2029	0.035	320,000
	0.05	18,039,179

11. Stock options

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price
Balance, September 30, 2023	6,050,000	$ 0.21
Cancelled	(500,000)	0.25
Balance, December 31, 2023	5,550,000	$ 0.21
Balance, September 30, 2024 and December 31, 2024	6,650,000	$ 0.18

Additional information regarding stock options outstanding and exercisable as at December 31, 2024, is as follows:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options exercisable
February 15, 2025	0.10	3.91	1,700,000	1,700,000
October 27, 2025	0.12	3.69	1,700,000	1,700,000
July 31, 2026	0.18	2.24	2,600,000	2,600,000
August 21, 2026	0.50	0.71	650,000	650,000
	0.18	2.89	6,650,000	6,650,000

12. Fair value measurements and risk management

Fair values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, due to related parties, and convertible loans approximate their carrying values due to the relatively short-term maturity of these instruments.

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 with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange rate risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at December 31, 2024 and September 30, 2024, the Company is not exposed to significant foreign exchange rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(Expressed in Canadian Dollars)

12. Fair value measurements and risk management (continued)

Liquidity risk (continued)

The following amounts are the contractual maturities of financial liabilities as at December 31, 2024 and September 30, 2024:

December 31, 2024		**Total**		**Within 1 year**		**Within 2-5 years**
Accounts payable and accrued liabilities	$	174,524	$	174,524	$	-
Convertible loans		201,000		201,000		-
Lease liability		27,925		18,069		9,856
Due to related parties		187,246		187,246		-
	$	590,695	$	580,839	$	9,856

September 30, 2024		**Total**		**Within 1 year**		**Within 2-5 years**
Accounts payable and accrued liabilities	$	250,532	$	250,532	$	-
Convertible loans		201,000		201,000		-
Lease liability		32,853		18,069		14,784
Due to related parties		113,254		113,254		-
	$	597,639	$	582,855	$	14,784

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

13. Capital management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

14. Segmented information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in Canada.

15. Subsequent event

On February 4, 2025, the Company issued 12,197,619 units at $0.021 per unit for gross proceeds of $25,000 and bona fide debt conversion of $231,150. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.05 per common share expiring on February 4, 2030. 11,007,143 units were for the settlement of the convertible loans that were due on December 14, 2024 (note 6).