SERRA ENERGY METALS CORP

(formerly E79 Resources Corp)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

For the Nine Months Ended January 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 financial statements have not been reviewed by an auditor.

The accompanying unaudited 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 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.

SERRA ENERGY METALS CORP

(formerly E79 Resources Corp.)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	January 31, 2025 (unaudited)	April 30,2024
ASSETS		
Current assets		
Cash	$ 1,891,159	$ 2,387,564
Prepaid expenses (Note 7)	46,477	65,005
Amounts receivable	31,634	3,592
	1,969,270	2,456,161
Equipment (Note 4)	27,069	32,367
Exploration and evaluation assets (Note 3)	2	3
TOTAL ASSETS	**$ 1,996,341**	**$ 2,488,531**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 13,382	$ 96,294
TOTAL LIABILITIES	**13,382**	**96,294**
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	23,100,595	23,100,595
Reserves (Note 5)	3,168,335	3,168,335
Deficit	(24,285,971)	(23,876,693)
TOTAL SHAREHOLDERS' EQUITY	**1,982,959**	**2,392,237**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 1,996,341**	**$ 2,488,531**

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue on March 26, 2025:

"Steven Butler"
Steven Butler, Director

"Vince Sorace"
Vince Sorace, Director

SERRA ENERGY METALS CORP

(formerly E79 Resources Corp.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	**2024**	**2025**	2024
EXPENSES				
General and administrative	**$ 33,679**	$ 72,782	**$ 160,751**	$ 205,490
Foreign exchange loss/ (gain)	**147**	6,118	**(43,866)**	18,394
Marketing	**1,591**	24,764	**1,648**	78,056
Management fees (Note 7)	**46,367**	167,432	**161,440**	543,061
Professional fees	**25,526**	3,863	**38,529**	17,704
Transfer agent, regulatory and listing fees	**17,223**	6,704	**39,627**	32,519
Travel	**-**	48,280	**-**	94,837
Depreciation	**1,766**	1,177	**5,298**	1,177
Stock-based compensation (Notes 5)	**-**	16,767	**-**	54,789
	$ (126,299)	$ (347,887)	**$ (363,427)**	$ (1,046,027)
Other Items				
Impairment of other assets	**-**	-	**(50,272)**	-
Recovery of exploration and evaluation assets	**-**	-	**-**	57,751
Other Income	**4,421**	-	**4,421**	-
NET AND COMPREHENSIVE LOSS	**$ (121,878)**	$ (347,887)	**(409,278)**	(988,276)
Basic and diluted loss per share	**$ (0.02)**	$ (0.05)	**$ (0.06)**	$ (0.15)
Weighted average number of common shares outstanding (Note 5)	**6,511,113**	6,511,113	**6,511,113**	6,511,113

See accompanying notes to the consolidated financial statements.

SERRA ENERGY METALS CORP

(formerly E79 Resources Corp.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars, except share amounts - unaudited)

	Share capital								
	Number of shares		Amount		Reserves		Deficit		Total
Balance at May 1, 2023	**6,511,113**	**$**	**23,100,595**	**$**	**3,230,002**	**$**	**(11,446,147)**	**$**	**14,884,450**
Stock-based compensation (Note 5)	-		-		54,789		-		54,789
Loss for the period	-		-		-		(988,276)		(988,276)
Balance at January 31, 2024	**6,511,113**	**$**	**23,100,595**	**$**	**3,284,791**	**$**	**(12,434,423)**	**$**	**13,950,963**
Balance at May 1, 2024	**6,511,113**	**$**	**23,100,595**	**$**	**3,168,335**	**$**	**(23,876,693)**	**$**	**2,392,237**
Loss for the period	-		-		-		(409,278)		(409.278)
Balance at January 31, 2025	**6,511,113**	**$**	**23,100,595**	**$**	**3,168,335**	**$**	**(24,285,971)**	**$**	**1,982,959**

The Company's share capital was consolidated on a 10:1 basis effective January 10, 2025. As a result of the consolidation, the number of issued and outstanding shares was reduced from 65,111,145 to 6,511,113. All share and per share figures have been adjusted in the financial statements to reflect the consolidation.

See accompanying notes to the consolidated financial statements.

SERRA ENERGY METALS CORP

(formerly E79 Resources Corp.)

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars - unaudited)

	Nine Months Ended	
	January 31, 2025	January 31, 2024
OPERATING ACTIVITIES		
Net loss	**$ (409,278)**	$ (988,276)
Non-cash items:		
Conversion of short-term loan to investment in subsidiary	**-**	67,890
Depreciation	**5,298**	1,177
Impairment of other assets	**50,272**	-
Stock-based compensation	**-**	54,789
Net changes in non-cash working capital items:		
Amounts receivable	**(78,313)**	(27,653)
Prepaid expenses	**18,528**	43,428
Accounts payable and accrued liabilities	**(82,912)**	(232,994)
Net cash flows used in operating activities	**(496,405)**	(1,081,639)
INVESTING ACTIVITES		
Exploration and evaluation assets	**-**	(204,794)
Plant and equipment	**-**	(35,310)
Net cash flows used in investing activities	**-**	(240,104)
Net decrease in cash	**(496,405)**	(1,321,743)
Cash, beginning	**2,387,564**	4,051,553
Cash, ending	**$ 1,891,159**	$ 2,729,810
Supplemental disclosure with respect to cashflows		
Exploration and evaluation asset costs in accounts payable and accrued liabilities	**$ -**	$ 2,922

1. Nature of operations and going concern

Serra Energy Metals Corp. (the "Company") was incorporated on September 27, 2018, under the laws of the Province of British Columbia, Canada. On October 18, 2023, the Company changed their name to Serra Energy Metals Corp. from E79 Resources Corp. The Company is a resource exploration company that is acquiring and exploring mineral properties. The head office, principal address and records office of the Company are located at 918-1030 West Georgia Street, Vancouver BC. The Company's common shares are traded on the Canadian Securities Exchange under the trading symbol SEEM and on the OTCQB under the symbol ESVNF.

These condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At January 31, 2025, the Company had working capital of $1,955,888 but had not yet achieved profitable operations, had accumulated losses of $24,285,971 since its inception and expects to incur further losses in the development of its property. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management estimates that it has sufficient working capital to continue operations for the next twelve months.

2. Basis of preparation

The accounting policies followed by the Company are set out in Note 2 to the audited consolidated financial statements for the year ended April 30, 2024 and have been consistently followed in the preparation of these condensed consolidated interim financial statements. Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's condensed interim financial statements.

Statement of compliance with International Financial Reporting Standards

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended April 30, 2024, and the significant accounting policies therein.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit and loss, which are stated at their fair values. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting and are presented in Canadian dollars unless otherwise specified.

2. Basis of preparation (cont'd)

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, E79 Resources Pty. Ltd, and E79 Services Pty Ltd. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

On October 16, 2024, the Company's Brazilian subsidiary Green Metals do Brasil Ltda. was sold for net proceeds of $10,000.

Use of estimates and judgements

The preparation of the Company's condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Going concern:
The assessment of the Company's ability to continue as a going concern and to concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

ii) Economic recoverability and probability of future benefits of exploration and evaluation costs:
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project. The carrying value and recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

iii) Valuation of stock-based compensation:
The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation. 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 the fair value estimate and the Company's earnings and equity reserves.

2. Basis of preparation (cont'd)

iv) Income taxes:

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at January 31, 2025, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

3. Exploration and evaluation assets

Beaufort Property

Beaufort is a 100% owned exploration tenement located in Australia.

During the year ended April 30, 2023, the carrying cost of the project was reviewed and the Company determined it has no plans to further explore the property, resulting in the project being impaired to $1.

Myrtleford Property

Myrtleford is a 100% owned exploration license located in Australia.

During the year ended April 30, 2024, the carrying cost of the project was reviewed and the Company determined it has no plans to further explore the property, resulting in the project being impaired to $1.

Santa Luz Property

During the year ended April 30, 2024, the Company acquired a 100% interest in various exploration tenements in Brazil.

During the year ended April 30, 2024, the carrying cost of the project was reviewed and the Company determined it has no plans to further explore the property, resulting in the project being impaired to $1.

On October 16, 2024, the Company confirmed the sale of its subsidiary Green Metals do Brasil Ltda. for net proceeds of $10,000. This included the interests in the Santa Luz property.

3. Exploration and evaluation assets (cont'd)

On December 17, 2024 The Company entered into an agreement with Advance Metals Limited ("Advance") whereby it has agreed to sell 80% of its interest in the Myrtleford and Beaufort projects ("Projects"). The Company will affect the sale by selling to Advance 80% of the ordinary shares in the Company's wholly-owned subsidiary, E79 Resources Pty Ltd. ("E79"). Completion of the sale is conditional upon all regulatory and other required approvals which have not been completed to date. Pursuant to the terms of the agreement, as consideration to acquire the E79 Shares, Advance will issue Serra ordinary shares in Advance ("AVM Shares") having a value of $3 million in tranches over a period of four years, calculated by dividing the 20-day volume weighted average trading price of the AVM Shares. Advance will be appointed as the operator of the Projects, responsible for all costs on the projects, until all the consideration shares have been issued.

Following the issuance of all consideration shares, the Company will transfer 80% of the E79 Shares to Advance and the parties will enter into an agreement governing the operation of the Projects as a joint venture (the "Joint Venture"). Proportional to their interest in E79 and the Projects, Serra will hold a 20% interest in the Joint Venture and Advance will hold an 80% interest in the Joint Venture. In addition, Advance will grant Serra a 1% net smelter return royalty in respect of any gold production from Projects.

(Expressed in Canadian Dollars - unaudited)

3. Exploration and evaluation assets (cont'd)

A continuity of acquisition costs included in exploration and evaluation assets is as follows:

	BRAZIL	AUSTRALIA		Total for nine months ended January 31, 2025	BRAZIL	AUSTRALIA		Total for year ended April 30, 2024
	Santa Luz	Beaufort	Myrtleford		Santa Luz	Beaufort	Myrtleford	
Property acquisition costs								
Balance, beginning	$ 1	$ 1	$ 1	**$ 3**	$ -	$ 1	$ 6,450,700	**$ 6,450,701**
Additions	-	-	-	**-**	15,789	-	-	**15,789**
Impairment	-		-	**-**	(15,788)		(6,450,699)	**(6,466,487)**
Sale of subsidiary	(1)		-	**(1)**	-		-	**-**
Balance, ending	$ -	$ 1	$ 1	**$ 2**	1	$ 1	$ 1	**$ 3**
Exploration and evaluation costs								
Balance, beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,483,306	$ **4,483,306**
Consulting, management and sub-contractors	-	-	-	**-**	140,718	-	15,025	**155,743**
Soil sampling and assay	-	-	-	**-**	10,493	-	25,002	**35,495**
Geophysics	-	-	-	**-**	-	-	-	**-**
Drilling	-	-	-	**-**	-	-	535	**535**
Other costs	-	-	-	**-**	5,602	-	24,733	**30,335**
Recovery of costs	-	-	-	**-**	-	-	(57,751)	**(57,751)**
Balance, ending	$ -	$ -	$ -	**$ -**	156,813	$ -	$ 4,490,850	**$ 4,647,663**
Impairment	-	-	-	**-**	(156,813)	-	(4,990,850)	**(4,647,663)**
Total	$ -	$ 1	$ 1	**$ 2**	$ 1	$ 1	$ 1	**$ 3**

(Expressed in Canadian Dollars - unaudited)

4. **Equipment**

		Total
Cost		
Balance, April 30, 2023	$	-
Additions		35,310
Balance, April 30, 2024		35,310
Additions		-
Balance January 31, 2025	$	35,310
Accumulated amortization		
Balance, April 30, 2023	$	-
Depreciation		(2,943)
Balance April 30, 2024		(2,943)
Depreciation		(5,298)
Balance January 31, 2025	$	(8,241)
Net book value		
Balance April 30, 2024		32,367
Balance January 31, 2025	$	27,069

5. **Share capital**

Authorized share capital

Unlimited number of common shares without par value (April 30, 2024 – Unlimited). As at January 31, 2025, no shares were held in escrow (April 30, 2024 – Nil).

Issued share capital

6,511,113 common shares were issued and outstanding at January 31, 2025 (April 30, 2024 - 6,511,113).

On January 10, 2025, the company consolidated its shares on the basis of one post-consolidation share for every ten pre-consolidation shares. As a result of the consolidation, the number of issued and outstanding shares was reduced from 65,111,145 to 6,511,113. There was no other share capital activity for the nine months ended January 31, 2024.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted, and that the options granted will have an exercise price of not less than market price and an expiry date of not more than ten years from the date of grant. Vesting of stock options is at the discretion of the Board of Directors.

(Expressed in Canadian Dollars - unaudited)

5. Share capital (cont'd)

Stock options

Stock options transactions are summarized as follows:

	Number of Options		Weighted average exercise price
Outstanding, April 30, 2023	462,500	$	7.00
Expired	(31,250)		9.20
Forfeited	(40,000)		5.90
Outstanding, April 30, 2024	391,250	$	6.90
Forfeited	(128,750)		5.64
Outstanding, January 31, 2025	262,500	$	7.51

Details of options outstanding as at January 31, 2025 are as follows:

Exercise Price	Expiry Date	Balance, end of period	Exercisable
$7.50	December 9, 2025	255,000	255,000
$7.80	January 29, 2026	7,500	7,500
		262,500	262,500

At January 31, 2025, the weighted average remaining contractual life of stock options was 0.86 years (April 30, 2024 – 1.95 years).

During the nine months ended January 31, 2025, the Company recognized $Nil in share-based compensation (2024 - $54,789) associated with the vesting and forfeiture of stock options.

6. Segmented information

The Company operates in a single operating segment being the exploration and evaluation of mineral properties.

The Company's non-current assets are segmented geographically as follows:

		Australia		Brazil		Canada		Total
As at January 31, 2025								
Exploration and evaluation assets		2		-		-		2
Equipment		-		-		27,069		27,069
	$	2	$	-	$	27,069	$	27,071
As at April 30, 2024								
Exploration and evaluation assets		2		1		-		3
Equipment		-		-		32,367		32,367
	$	2	$	1	$	32,367	$	32,370

7. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

Key management compensation is as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2025	2024	2025	2024
Management fees	$ 40,412	$ 122,609	$ 141,369	$ 381,990
Stock based compensation	-	16,767	-	96,166
	$ 40,412	$ 139,376	$ 141,369	$ 478,156

Related party balances

As at January 31, 2025 $Nil (2024 - $566) were owed to directors and officers of the Company.

As at January 31, 2025, $Nil (2024 - $9,000) was included in prepaid expenses to directors of the Company

8. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs expenditures that are denominated in Australian dollars ("AUD") and Brazilian real ("BRL") while its functional currency is the Canadian dollar ("CAD").

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in AUD:

	January 31, 2025	April 30, 2024
Cash	$ 5,514	$ 42,863
Amounts receivable	12,662	-
Accounts payable	-	(49,243)
	$ 18,176	$ (6,380)

8. Financial risk and capital management (cont'd)

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in BRL:

	January 31, 2025	April 30,2024
Cash	$ -	$ 12,838

Based on the above net exposures, as at January 31, 2025, a 10% change in Australian dollar to the Canadian dollar and Brazilian real to the Canadian dollar would impact the Company's net loss by $1,818 and $Nil respectively (April 30, 2024 - $650 and $1,300)

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 ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company has assessed liquidity risk as low as at January 31, 2025 due to the Company's cash balance.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk and other price risk. The Company is not exposed to significant interest or other price risk.

Capital Management
The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the nine months ended January 31, 2025.

Fair value
The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities.

8. Financial risk and capital management (cont'd)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's cash is measured at amortized cost. The fair value of financial instruments recognized at amortized cost approximates their carrying values due to the short-term nature of these investments.