MAKENITA RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

October 31, 2024

NOTICE OF NO AUDITOR REVIEW

The unaudited interim financial statements, and accompanying notes thereto, for the periods ended October 31, 2024 have not been reviewed by Makenita's external auditor.

MAKENITA RESOURCES INC.
INTERIM STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

ASSETS	October 31, 2024	July 31, 2024
	$	$
Current assets		
Cash	1	1
Total assets	1	1
EQUITY		
Share capital – Note 4	1	1
Deficit	-	-
Total equity	1	1

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 7)

Approved and authorized for issue on behalf of the Board on November 26, 2024:

"Jason Gigliotti" Director — Jason Gigliotti

"Negar Adam" Director — Negar Adam

MAKENITA RESOURCES INC.
INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital			
	Number of shares	**Amount**	**Deficit**	**Total**
		$	$	$
Balance upon incorporation, July 12, 2024	-	-	-	-
Issuance of common shares for cash	100	1	-	1
Balance, July 31, 2024 and October 31, 2024	100	1	-	1

1. NATURE AND CONTINUANCE OF OPERATIONS

Makenita Resources Inc. ("Makenita") was incorporated under the Business Corporations Act of British Columbia on July 12, 2024. Makenita's head office and principal business address is Suite 2905, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8. Makenita's registered and records office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

Makenita is a wholly owned subsidiary of Cruz Battery Metals Inc. ("Cruz") a publicly listed company on the Canadian Securities Exchange (the "CSE") under the symbol "CRUZ". On September 5, 2024, Makenita entered into an arrangement agreement (Note 7) with Cruz.

These interim financial statements have been prepared on a going concern basis which assumes that Makenita will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Makenita has limited capital and will require closing of the Arrangement Agreement to continue operations for the upcoming year. These material uncertainties may cast significant doubt on Makenita's ability to continue as a going concern.

2. BASIS OF PREPARATION

a) Statement of Compliance

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

These interim financial statements of Makenita for the three months ended October 31, 2024 were approved and authorized for issuance by the board of directors (the "Board") on November 26, 2024.

b) Basis of Measurement

These interim financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value.

These interim financial statements are presented in Canadian dollars, which is Makenita's functional currency.

The preparation of these interim financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

There were no significant judgements or critical accounting estimates.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policy information set out below have been applied consistently to all periods presented in these interim financial statements, unless otherwise indicated.

a) Financial instruments

Classification

Makenita determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity instruments that are held for trading, Makenita may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, Makenita may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or Makenita has elected to measure them at FVTPL.

Under IFRS 9, Makenita classifies its financial instruments as follows:

Cash	Amortized cost

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Financial instruments (continued)

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized costs using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income ("OCI") and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

Makenita assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, Makenita applies the expected credit loss impairment model.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Financial instruments (continued)

An expected credit loss impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

b) Share capital

Makenita's common shares are classified as equity instruments. Incremental costs directly attributable to issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

c) Income taxes

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

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Income taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SHARE CAPITAL

Authorized: An unlimited number of common shares, without par value

As at October 31, 2024, there were 100 issued and outstanding common shares.

During the three months ended October 31, 2024:

- Makenita did not issue any common shares.

Share-based payments

On October 1, 2024, Makenita's Board adopted an omnibus equity incentive plan (the "2024 Equity Incentive Plan"). The 2024 Equity Incentive Plan provides flexibility to Makenita to grant equity-based incentive awards to its directors, officers and consultants in the form of stock options, restricted share units, deferred share units and performance share units. The 2024 Equity Incentive Plan is subject to shareholder approval and CSE approval.

5. CAPITAL DISCLOSURE

Makenita's objectives when managing capital are to safeguard its ability to continue as a going concern. In the management of capital, Makenita includes the components of equity.

Makenita manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, Makenita may issue new shares, issue new debt and acquire or dispose of assets. Makenita is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS AND RISK

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 fair value of Makenita's cash approximates its carrying values due to the short-term nature of the financial instrument.

6. FINANCIAL INSTRUMENTS AND RISK (continued)

Makenita can be exposed to varying degrees to a variety of financial instrument related risks.

Based on management's knowledge and experience of the financial markets, management does not believe that Makenita's current financial instrument will be affected by foreign exchange risk, credit risk, interest rate risk, liquidity risk and price risk.

7. ARRANGEMENT AGREEMENT

On September 5, 2024, Cruz entered into an arrangement agreement with its wholly-owned subsidiary, Makenita, pursuant to which Cruz intends to: (i) transfer all of its rights, title and interest in and to its Hector Silver-Cobalt Project (the "Hector Property"), and (ii) spin-out all of the securities of Makenita received in consideration for the Hector Property (the "Makenita Spinout Share") to Cruz's securityholders on a *pro rata* basis, all pursuant to a statutory plan of arrangement (the "Arrangement") to be effected under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the "BCBCA").

The Arrangement will include a transfer of the Hector Property to Makenita, a share capital reorganization of Cruz, and a securities exchange whereby, among other things, Cruz's shareholders will receive Makenita Spinout Shares. The existing common shares in the capital of Cruz will be renamed and redesignated as Class A common shares (each, a "Cruz Class A Share") and Cruz will create a new class of voting common shares (each, a "New Cruz Share"). Each Cruz Class A Share will be exchanged for one New Cruz Share and 0.1 of a Makenita Spinout Share. As part of the Arrangement, all outstanding Cruz warrants will be adjusted to allow holders to acquire, upon exercise, New Cruz Shares and common shares of Makenita (each, a "Makenita Share") in amounts reflective of the relative fair market values of Cruz and Makenita at the effective time of the Arrangement.

On completion of the Arrangement, Cruz shareholders and holders of Cruz warrants will maintain their interest in Cruz and will obtain a proportionate interest in Makenita.

In connection with the Arrangement, Makenita intends to seek a listing of the Makenita Shares on the CSE. Additionally, Makenita will undertake one or more offerings of securities to raise gross proceeds of approximately $500,000 (the "Makenita Financing"), or such other amount as the board of directors of Makenita may determine, to, among other things, finance its exploration activities on the Hector Property and to fund its working capital requirements.

Cruz intended to obtain an interim order (the "Interim Order") from the Supreme Court of British Columbia (the "Court") to authorize Cruz to call a shareholder's meeting to, among other things, approve the Arrangement. The Arrangement will be subject to, among other conditions, final court approval, approval by not less than two-thirds of the votes cast at the special shareholder's meeting of Cruz shareholders (the "Meeting"), and approval of the CSE.

On October 31, 2024, the Court issued the Interim Order and, subject to the approval of the Arrangement by the Cruz shareholders, a hearing of the application for the Final Order will be held on or about December 16, 2024 at 9:45 a.m. (Vancouver Time) at the Courthouse.