

CRUZ BATTERY METALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

January 31, 2024

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended January 31, 2024 and 2023 have not been reviewed by the Company's external auditor.

CRUZ BATTERY METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	ASSETS		
		January 31, <u>2024</u>	July 31, <u>2023</u>
Current assets			
Cash and cash equivalents – Note 3		\$ 1,570,321	\$ 1,999,256
Receivables – Note 4		17,085	5,687
Prepaid expenses		30,017	9,296
Total current assets		1,617,423	2,014,239
Non-current assets			
Property and equipment – Note 5		18,119	20,935
Rent deposit		24,590	24,590
Right-of-use asset – Note 6		183,015	207,972
Security deposits – Note 7		57,570	55,475
Exploration and evaluation assets – Note 7		3,632,676	3,562,286
Total assets		\$ 5,533,393	\$ 5,885,497
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities – Notes 8 and 11		\$ 209,671	\$ 268,019
Interest payable		8,350	8,350
Lease liability – Note 6		48,109	48,109
		266,130	324,478
Non-current liabilities			
Lease liability – Note 6		166,820	190,265
Total liabilities		432,950	514,743
SHAREHOLDERS' EQUITY			
Share capital – Note 9		25,594,557	25,260,027
Reserves – Note 9		3,130,859	3,149,222
Accumulated deficit		(23,624,973)	(23,038,495)
Total shareholders' equity		5,100,443	5,370,754
Total liabilities and shareholders' equity		\$ 5,533,393	\$ 5,885,497

Nature and Continuance of Operations (Note 1)

APPROVED BY THE DIRECTORS:

<i>"Seth Kay"</i> Seth Kay	Director	<i>"James Nelson"</i> James Nelson	Director
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CRUZ BATTERY METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Three months ended January 31,		Six months ended January 31,	
	2024	2023	2024	2023
Operating expenses				
Consulting	\$ 24,000	\$ 24,000	\$ 48,000	\$ 47,000
Corporate branding	10,110	39,925	23,178	53,933
Depreciation – Notes 5 and 6	13,715	14,239	27,773	28,479
Management fees – Note 11	54,400	54,400	86,800	84,800
Office and miscellaneous	23,275	33,152	30,969	44,138
Professional fees – Note 11	36,982	39,790	55,930	64,375
Resource expenses	1,026	-	2,100	1,069
Shareholder information	-	2,802	500	3,552
Share-based payments – Notes 9 and 11	95,242	613,283	316,167	987,547
Transfer agent and filing fees	8,469	9,000	14,293	14,163
Travel	14,763	12,601	20,690	22,194
	(281,982)	(843,192)	(626,400)	(1,351,250)
Interest income	19,632	32,218	39,922	48,021
Write-down of exploration and evaluation assets – Note 7	-	(32,080)	-	(32,080)
	19,632	138	39,922	15,941
Loss and comprehensive loss for the period	\$ (262,350)	\$ (843,054)	\$ (586,478)	\$ (1,335,309)
Loss per share – basic and diluted – Note 10	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding – basic and diluted – Note 10	160,002,339	150,527,578	159,103,872	143,786,782

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

CRUZ BATTERY METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Six months ended January 31,	
	<u>2024</u>	<u>2023</u>
Operating Activities		
Loss for the period	\$ (586,478)	\$ (1,335,309)
Adjustments for non-cash items:		
Depreciation	27,773	28,479
Interest expense	10,293	12,281
Share-based payments	316,167	987,547
Write-down of exploration and evaluation assets	-	32,080
Changes in non-cash working capital items:		
Receivables	(11,398)	(10,252)
Prepaid expenses	(20,721)	(81,325)
Accounts payable and accrued liabilities	(44,782)	(26,544)
Cash and cash equivalents used in operating activities	(309,146)	(393,043)
Investing Activities		
Exploration and evaluation assets	(83,956)	(140,473)
Security deposits	(2,095)	(32,648)
Cash and cash equivalents used in investing activities	(86,051)	(173,121)
Financing Activities		
Proceeds from issuance of share capital	-	3,500,000
Share issue costs	-	(207,198)
Repayment of lease liability	(33,738)	(33,321)
Cash and cash equivalents provided by (used in) financing activities	(33,738)	3,259,481
Change in cash and cash equivalents during the period	(428,935)	2,693,317
Cash and cash equivalents, beginning of the period	1,999,256	122,630
Cash and cash equivalents, end of the period	\$ 1,570,321	\$ 2,815,947

Supplemental Disclosure with Respect to Cash Flows (Note 17)

CRUZ BATTERY METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital		Reserves	Accumulated Deficit	Total
	Number of shares	Amount			
Balance, July 31, 2022	112,748,504	\$ 21,305,399	\$ 2,612,640	\$ (21,113,153)	\$ 2,804,886
Shares issued for restricted share units	4,572,000	472,380	(472,380)	-	-
Shares issued for private placement	34,653,465	3,500,000	-	-	3,500,000
Share issue costs	-	(207,198)	-	-	(207,198)
Share-based payments	-	-	987,547	-	987,547
Broker warrants issued for private placement	-	(210,434)	210,434	-	-
Loss for the period	-	-	-	(1,335,309)	(1,335,309)
Balance, January 31, 2023	151,973,969	24,860,147	3,338,241	(22,448,462)	5,749,926
Shares issued for restricted share units	3,992,000	399,880	(399,880)	-	-
Share-based payments	-	-	210,861	-	210,861
Loss for the period	-	-	-	(590,033)	(590,033)
Balance, July 31, 2023	155,965,969	25,260,027	3,149,222	(23,038,495)	5,370,754
Shares issued for restricted share units	4,602,000	334,530	(334,530)	-	-
Share-based payments	-	-	316,167	-	316,167
Loss for the period	-	-	-	(586,478)	(586,478)
Balance, January 31, 2024	160,567,969	\$ 25,594,557	\$ 3,130,859	\$ (23,624,973)	\$ 5,100,443

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

CRUZ BATTERY METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

January 31, 2024 – Page 1

1. NATURE AND CONTINUANCE OF OPERATIONS

Cruz Battery Metals Corp. (the “Company”) is an exploration stage public company and is listed on the Canadian Securities Exchange (the “CSE ”) under the symbol "CRUZ". The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At January 31, 2024, the Company had exploration and evaluation assets located in Canada and the U.S.A.

The Company’s head office and principal business address is Suite 2905, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8. The Company’s registered and records office is located at 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At January 31, 2024, the Company had not yet achieved profitable operations, incurred a loss of \$586,478 during the six months ended January 31, 2024 and had an accumulated deficit of \$23,624,973 since its inception. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company may require additional financing in order to conduct the planned work programs on its exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these condensed consolidated interim financial statements.

The ongoing effects of the COVID-19 pandemic and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS34”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s most recently issued audited financial statements for the year ended July 31, 2023, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION (continued)

a) Statement of Compliance (continued)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 15, 2024.

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

c) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed consolidated interim financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of January 31, 2024 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest January 31, 2024	Ownership Interest July 31, 2023
Cobalt Locaters Inc.	Holding company	Canada	100%	100%
1205011 B.C. Ltd.	Holding company	Canada	100%	100%
Cruz Solar Lithium Corp.	Holding company	Canada	100%	100%
Las Vegas Lithium Locators Corp.	Holding company	USA	100%	100%
Idaho Cobalt Discoveries Corp.	Holding company	USA	100%	100%
Cruz Capital (US) Corp.	Holding company	USA	100%	100%

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in Canadian Dollars and include the following components:

	January 31, <u>2024</u>	July 31, <u>2023</u>
Cash at bank	\$ 265,821	\$ 378,968
Cash equivalents	1,304,500	1,620,288
	<u>\$ 1,570,321</u>	<u>\$ 1,999,256</u>

4. RECEIVABLES

The Company's receivables comprise of goods and services tax ("GST") receivable due from Canadian government taxation authorities and reimbursements from one public company with one common director for recoverable office expenses.

	January 31, <u>2024</u>	July 31, <u>2023</u>
Related party receivable (Note 12)	\$ 9,965	\$ 427
GST recoverable	<u>7,120</u>	<u>5,260</u>
Total receivables	<u>\$ 17,085</u>	<u>\$ 5,687</u>

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Company's receivables are all considered current and are not past due or impaired. The Company does not possess any collateral related to these assets.

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Computer & office equipment	Total
	\$	\$	\$
Cost, July 31, 2022 and 2023, and January 31, 2024	34,599	6,294	40,893
Accumulated depreciation, July 31, 2022	9,064	3,850	12,914
Depreciation for the year	4,944	2,100	7,044
Accumulated depreciation, July 31, 2023	14,008	5,950	19,958
Depreciation for the period	2,472	344	2,816
Accumulated depreciation, January 31, 2024	16,480	6,294	22,774
Net book value, July 31, 2023	20,591	344	20,935
Net book value, January 31, 2024	18,119	Nil	18,119

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

<i>Right-of-Use Asset</i>	
	Office Leases
Cost:	\$
At July 31, 2022 and 2023, and January 31, 2024	349,393
Depreciation:	
At July 31, 2022	91,507
Charge for the year	49,914
At July 31, 2023	141,421
Charge for the period	24,957
At January 31, 2024	166,378
Net book value:	
At July 31, 2023	207,972
At January 31, 2024	183,015
<i>Lease Liability</i>	
	\$
At July 31, 2022	281,562
Lease payments made	(66,781)
Interest expense on lease liability	23,593
At July 31, 2023	238,374
Lease payments made	(33,738)
Interest expense on lease liability	10,293
At January 31, 2024	214,929
Less: current portion	(48,109)
Lease liability – long term	166,820

The remaining minimum future lease payments, excluding estimated operating costs, for the terms of the lease including assumed renewal periods are as follows:

	\$
Fiscal 2024	33,877
Fiscal 2025	68,449
Fiscal 2026	69,283
Fiscal 2027	70,117
Fiscal 2028	11,709

7. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets consist of the following mineral properties:

	BC War Eagle Cobalt	ON Hector Cobalt Prospect	Idaho Cobalt Belt Project	Nevada Clayton Valley W. Lithium Property	Nevada Solar Lithium Project	Total
Balance, July 31, 2022	\$ 32,080	\$ 912,356	\$ 298,941	\$ 48,560	\$ 1,586,988	\$ 2,878,925
Deferred exploration expenditures						
Assay	-	-	-	-	18,548	18,548
Claim maintenance fees	-	-	25,352	2,781	92,204	120,337
Drilling	-	-	-	-	434,353	434,353
Geological expenses	-	-	-	-	46,163	46,163
Reclamation	-	-	-	-	8,236	8,236
Travel and misc	-	-	-	-	25,936	25,936
Advance for exploration	-	-	26,556	2,698	32,614	61,868
Write-down of exploration and evaluation assets	(32,080)	-	-	-	-	(32,080)
Balance, July 31, 2023	-	912,356	350,849	54,039	2,245,042	3,562,286
Deferred exploration expenditures						
Claim maintenance fees	-	-	26,556	2,917	95,571	125,044
Geological expenses	-	-	-	-	1,699	1,699
Reclamation	-	-	-	-	5,229	5,229
Travel and misc	-	-	-	-	286	286
Advance for exploration	-	-	(26,556)	(2,698)	(32,614)	(61,868)
Balance, January 31, 2024	\$ -	\$ 912,356	\$ 350,849	\$ 54,258	\$ 2,315,213	\$ 3,632,676

7. EXPLORATION AND EVALUATION ASSETS (continued)

Title to Interests in Exploration and Evaluation Assets

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

ON Cobalt Prospects – Share Purchase Agreement and Staking

On July 22, 2016, the Company entered into a share purchase agreement to purchase 100% of the issued and outstanding shares of Cobalt Locaters Inc., which held a 100% interest in two cobalt prospects in B.C. (the "Purcell Cobalt Prospect") and a 50% interest in four cobalt prospects in Ontario (the "Coleman Cobalt Prospect", the "Bucke Cobalt Prospect", the "Hector Cobalt Prospect", and the "Johnson Cobalt Prospect"). The Company paid \$20,000 cash and issued 4,800,000 shares (valued at \$816,000) to acquire Cobalt Locaters Inc. The acquisition costs had been split evenly between these six cobalt properties. During the year ended July 31, 2018 the Company decided to drop certain claims for the Purcell Cobalt Prospect and fully wrote off prior acquisition costs and exploration costs totaling \$306,214. During the year ended July 31, 2019, the Company acquired the remaining 50% interest in the above four Ontario cobalt prospects from an arm's length vendor at no cost.

In September 2016, the Company acquired a 100% interest in certain mineral claims in Ontario to increase the holdings in its Johnson Cobalt Prospect, Bucke Cobalt Prospect and Hector Cobalt Prospect for staking costs of \$19,500.

In June 2017, the Company acquired a 100% interest in certain mineral claims in Ontario to increase the holdings in its Coleman Cobalt Prospect for staking costs of \$1,268. In November 2021, the Company decided to drop certain mineral claims for the Coleman Cobalt Prospect and fully wrote off prior acquisition and exploration costs on the Coleman Cobalt Prospect totaling \$151,065 as of July 31, 2021.

In January 2018, the Company acquired a 100% interest in certain mineral claims in Ontario (the "Lorraine Cobalt Prospect") for through staking.

During the year ended July 31, 2022, the Company decided to drop all mineral claims for the Johnson, Bucke and Lorraine Cobalt Prospects, and fully wrote off prior carrying costs in the amount of \$313,037.

As at July 31, 2023, the Company holds a 100% interest in the Hector Cobalt Prospect.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Idaho Cobalt Belt Project – Share Purchase Agreement

On September 1, 2020, the Company entered into a share purchase agreement to purchase 100% of the issued and outstanding shares of 1205011 B.C. Ltd. (“1205011”), which through its wholly-owned subsidiary, Idaho Cobalt Discoveries Corp., holds a 100% interest in one cobalt prospect in Idaho, U.S.A. (the “Idaho Cobalt Belt Project”) and certain projects in B.C. (the “BC Diamonds Projects”). The Company issued 9,000,000 shares (valued at \$495,000) pursuant to the agreement. The acquisition costs had been split evenly between the BC and Idaho properties.

During the year ended July 31, 2022, the Company decided to drop the BC Diamonds Projects and fully wrote off the previous carrying costs in the amount of \$261,665.

Nevada Clayton Valley West Lithium Prospect – Purchase Agreement

On September 15, 2015, the Company entered into a purchase agreement, subsequently amended, to acquire a 100% interest in certain mineral claims in the Clayton Valley in Nevada, U.S.A. The Company issued 900,000 common shares (valued at \$30,000).

Nevada Solar Lithium Project – Share Purchase Agreement

On July 16, 2021, the Company entered into a share purchase agreement to purchase 100% of the issued and outstanding shares of Cruz Solar Lithium Corp. (“Cruz Solar”), which through its wholly-owned subsidiary, Las Vegas Lithium Locators Corp., holds a 100% interest in certain lithium prospect in Nevada, U.S.A. (the “Solar Lithium Project”). The Company issued 7,000,000 shares (valued at \$630,000) pursuant to the agreement.

During the year ended July 31, 2022, the Company acquired a 100% interest in certain mineral claims (the “Helios Claims”, the “Sun Claims” and the “Solar South Claims”) for staking costs of \$106,941 to expand the size of its Solar Lithium Project. The Company also provided two security deposits totalling \$22,827 in relation to the Solar Lithium Project.

During the year ended July 31, 2023, the Company provided three security deposits totalling \$32,648 in relation to the Solar Lithium Project.

During the six months ended January 31, 2024, the Company increased the security deposits by \$2,095 in relation to the Solar Lithium Project.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statements of financial position consist of the following:

	January 31, <u>2024</u>	July 31, <u>2023</u>
Trade payables	\$ 22,671	\$ 47,719
Accrued liabilities	187,000	220,300
Total accounts payable and accrued liabilities	<u>\$ 209,671</u>	<u>\$ 268,019</u>

9. SHARE CAPITAL AND RESERVES

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

(a) Private placements

Six months ended January 31, 2024:

During the six months ended January 31, 2024, the Company did not close any private placements.

Six months ended January 31, 2023:

In August 2022, the Company closed a non-brokered private placement consisting of 34,653,465 units at a price of \$0.101 per unit for gross proceeds of \$3,500,000. Each unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.15 per share until August 29, 2027. In connection with the private placement, the Company paid legal and filing fees of \$11,833, and finders' fees of \$195,365; and the Company issued 1,780,304 broker warrants exercisable at \$0.15 per share and 144,000 broker warrants exercisable at \$0.19 per share until August 29, 2027. The broker warrants were valued at \$210,434 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 116.2%, risk-free interest rate 3.31% and an expected life of five years.

(b) Share purchase warrants

The following is a summary of changes in share purchase warrants from July 31, 2022 to January 31, 2024:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Balance, July 31, 2022	-	
Issued	<u>36,577,769</u>	\$0.15
Balance, July 31, 2023 and January 31, 2024	<u>36,577,769</u>	\$0.15

At January 31, 2024, the Company had 36,577,769 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
36,433,769	\$0.15	August 29, 2027
<u>144,000</u>	<u>\$0.19</u>	<u>August 29, 2027</u>
<u>36,577,769</u>		

9. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments

The Company has an Equity Plan effective May 2022, which superseded a previous stock option plan. The Equity Plan provides the grant of stock options, RSUs, DSUs, and PSUs. Under the Equity Plan, the maximum number of equity-based awards issued cannot exceed 20% of the Company's issued and outstanding common shares, as at the date of grant.

Stock options

In accordance with the Equity Plan, the exercise price of each option granted shall not be less than the market price of the Company's stock. Options may be granted for a maximum term of ten years and vesting periods are determined by the Board of Directors.

The following is a summary of changes in share purchase options from July 31, 2022 to January 31, 2024:

	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable, July 31, 2022	7,000,000	\$0.30
Granted	4,300,000	\$0.12
Expired	<u>(7,000,000)</u>	\$0.30
Outstanding and exercisable, July 31, 2023	4,300,000	\$0.12
Granted	1,050,000	\$0.08
Expired	<u>(4,300,000)</u>	\$0.12
Outstanding and exercisable, January 31, 2024	<u>1,050,000</u>	\$0.08

As of January 31, 2024, 1,050,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
<u>1,050,000</u>	\$0.08	September 19, 2024

During the six months ended January 31, 2024, the Company granted 1,050,000 stock options with an exercise price of \$0.08 per share and an expiry date of September 19, 2024 (six months ended January 31, 2023: 4,300,000 stock options were granted with exercise prices ranging from \$0.10 to \$0.13 per share and expiry dates ranging from September 9, 2023 to January 16, 2024). The weighted average fair value of the options issued in the six months ended January 31, 2024 was estimated at \$0.02 (six months ended January 31, 2023: \$0.05) per option at the grant date using the Black-Scholes option pricing model with the following assumptions:

9. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments (continued)

	<u>Six months ended</u> <u>January 31, 2024</u>	<u>Six months ended</u> <u>January 31, 2023</u>
Weighted average expected dividend yield	0.0%	0.0%
Weighted average expected volatility *	93.75%	110.38%
Weighted average risk-free interest rate	4.91%	3.79%
Weighted average expected term	1 year	1 year

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

RSUs

In accordance with the Equity Plan, the Company may grant RSUs to any participant in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”). The number of RSUs awarded and underlying vesting terms are determined by the board of directors in its discretion.

Upon settlement, participants will redeem each vested RSU for the following at the election of such participant but subject to the approval of the board of directors: (a) one fully paid and non-assessable share in respect of each vested RSU, (b) a cash payment or (c) a combination of shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the market price per share as at the settlement date. Subject to the provisions of the Equity Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

The following is a summary of changes in RSUs from July 31, 2022 to January 31, 2024:

	<u>Number</u>
Outstanding, July 31, 2022	-
Granted	9,980,000
Vested	<u>(8,564,000)</u>
Outstanding July 31, 2023	1,416,000
Granted	5,310,000
Vested	<u>(4,602,000)</u>
Outstanding January 31, 2024	<u><u>2,124,000</u></u>

Six months ended January 31, 2024:

On September 19, 2023, the Company granted 5,310,000 RSUs to its officers, directors and consultants, whereby 40% (2,124,000) of the RSUs vested on the date of grant, 20% (1,062,000) vested on December 19, 2023, 20% (1,062,000) vested on March 19, 2024 and 20% (1,062,000) vested on June 19, 2024.

9. SHARE CAPITAL AND RESERVES (continued)

(c) Share-based payments (continued)

Six months ended January 31, 2023:

On September 9, 2022, the Company granted 2,900,000 RSUs to its officers, directors and consultants, whereby 40% (1,160,000) of the RSUs vested on the date of grant, 20% (580,000) vested on December 9, 2022, 20% (580,000) vested on March 9, 2023 and 20% (580,000) vested on June 9, 2023.

On November 7, 2022, the Company granted 7,080,000 RSUs to its officers, directors and consultants, whereby 40% (2,832,000) of the RSUs vested on the date of grant, 20% (1,416,000) vested on February 7, 2023, 20% (1,416,000) vest on May 7 2023 and 20% (1,416,000) vest on August 7, 2023.

The RSUs are valued at the fair market value of the Company's stocks on the date of grant. Accordingly, 5,310,000 RSUs were granted at a value of \$0.065 during the six months ended January 31, 2024 for a total value of \$345,150 (six months ended January 31, 2023: 2,900,000 and 7,080,000 RSUs were granted at a value of \$0.125 and \$0.09 each for a total value of \$362,500 and \$637,200, respectively), which were being recognized as share-based payments over the vesting periods.

Total expenses arising from share-based payment transactions recognized during the six months ended January 31, 2024 were \$316,167 (six months ended January 31, 2023: \$987,547), of which \$294,941 (six months ended January 31, 2023: \$785,571) was attributable to vesting of RSUs granted during the period with the remaining portion of share-based payment expense being attributable to the vesting of stock options, as described above.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Six months ended January 31,	
	<u>2024</u>	<u>2023</u>
Loss	\$ (586,478)	\$ (1,335,309)
Weighted average number of common shares for the purpose of basic and diluted loss per share	<u>159,103,872</u>	<u>143,786,782</u>

Basic loss per share is computed by dividing loss by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 9) were anti-dilutive for the six months ended January 31, 2024 and 2023.

Basic and diluted loss per share for the six months ended January 31, 2024 was \$(0.00) (six months ended January 31, 2023: \$(0.01)).

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

	Six months ended January 31,	
	<u>2024</u>	<u>2023</u>
Management fees	\$ 86,800	\$ 84,800
Professional fees	50,400	49,400
Share-based payments *	<u>215,758</u>	<u>682,280</u>
	<u>\$ 352,958</u>	<u>\$ 816,480</u>

* Share-based payments are the fair value of options/RSUs granted to key management personnel as at the grant date.

Related party balances

At January 31, 2024, accounts payable and accrued liabilities include \$2,500 (July 31, 2023: \$14,520) payable to one director of the Company for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

During the six months ended January 31, 2024, the Company recovered office rent in the amount of \$17,000 (six months ended January 31, 2023: \$16,343) from two public companies with certain directors in common. At January 31, 2024, receivables include \$9,965 (July 31, 2023: \$427) due from related parties for recoverable office expenses.

12. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's non-monetary assets are distributed by geographic location as follows:

January 31, 2024	Canada	U.S.A.	Total
	\$	\$	\$
Exploration and evaluation assets	912,356	2,720,320	3,632,676
Property and equipment	18,119	-	18,119
Right-of-use assets	183,015	-	183,015
Total assets	<u>1,113,490</u>	<u>2,720,320</u>	<u>3,833,810</u>

July 31, 2023	Canada	U.S.A.	Total
	\$	\$	\$
Exploration and evaluation assets	912,356	2,649,930	3,562,286
Property and equipment	20,935	-	20,935
Right-of-use assets	207,972	-	207,972
Total assets	<u>1,141,263</u>	<u>2,649,930</u>	<u>3,791,193</u>

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statements of cash flows:

Six months ended January 31, 2024:

- a) Included in accounts payable and accrued liabilities was \$20,000 for exploration and evaluation assets.