



## **CANADIAN METALS INC.**

### **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT JANUARY 31, 2024**

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#### **Notice of No Auditor Review**

The accompanying unaudited condensed interim financial statements were prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Financial Position

As at January 31, 2024 and July 31 2023

(in Canadian dollars)

	Note	January 31 2024	July 31, 2023
		\$	\$
<b>Assets</b>			
<b>Current assets:</b>			
Cash		172,391	1,400,347
Short-term investments		470,000	1,000,000
Other receivables		218,733	
Sales tax receivable		251,896	115,102
Advances to a related company		34,867	34,867
Prepaid expenses		7,731	4,179
Current portion of balance of purchase price receivable	6a	208,333	419,378
<b>Total current assets</b>		<b>1,363,951</b>	<b>2,973,873</b>
<b>Non-current assets:</b>			
Mining properties	6	8,697,115	8,750,053
Exploration and evaluation assets	7	2,924,071	1,603,058
Balance of purchase price receivable	6a	20,471	81,263
<b>Total non-current assets</b>		<b>11,641,657</b>	<b>10,434,374</b>
<b>Total assets</b>		<b>13,005,608</b>	<b>13,408,247</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Trade accounts payable and accrued liabilities		265,114	422,686
Grants refundable		337,320	337,320
Current portion of convertible debentures	8	213,533	209,689
<b>Total current liabilities</b>		<b>815,967</b>	<b>969,695</b>
<b>Non-current liabilities:</b>			
Convertible debentures	8	823,734	784,172
<b>Total non-current liabilities</b>		<b>823,734</b>	<b>784,172</b>
<b>Total liabilities</b>		<b>1,639,701</b>	<b>1,753,867</b>
<b>Equity:</b>			
Share capital	9	19,273,885	19,273,885
Warrants	9	451,467	597,273
Share options	9	124,892	144,092
Equity component of the convertible debentures		562,455	562,455
Contributed surplus		4,639,976	4,474,970
Deficit		(13,686,768)	(13,398,296)
<b>Total equity</b>		<b>11,365,907</b>	<b>11,654,380</b>
<b>Total liabilities and equity</b>		<b>13,005,608</b>	<b>13,408,247</b>

Nature of operations and going concern, see Note 2.

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

These financial statements were approved and authorized for issue by the Board of Directors on March 28, 2024.

(S) Maxime Lemieux  
Director

(S) Michel Gagnon  
Director

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Comprehensive Loss

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

	Note	Three month period ended		Six months period ended	
		January 31, 2024	January 31, 2023	January 31, 2024	January 31, 2023
General and administrative expenses:		\$	\$	\$	\$
Professional fees		79,047	31,319	90,710	80,299
Management and consulting fees		57,000	27,000	114,000	188,000
Registration, listing fees and shareholders information		2,600	7,390	6,489	13,429
Insurance and office expenses		6,253	4,999	15,993	13,909
<b>Loss from operating activities</b>		<b>144,900</b>	<b>70,708</b>	<b>227,192</b>	<b>295,637</b>
Finance income		(29,971)	(63,745)	(43,512)	(95,394)
Finance expense	14	53,709	50,739	104,793	101,856
<b>Total net finance expense (income)</b>		<b>23,738</b>	<b>(13,006)</b>	<b>61,281</b>	<b>6,462</b>
<b>Loss before income taxes</b>		<b>168,638</b>	<b>57,702</b>	<b>288,473</b>	<b>302,099</b>
<b>Net loss and comprehensive loss</b>		<b>168,638</b>	<b>57,702</b>	<b>288,473</b>	<b>302,099</b>
<b>Weighted average number of common shares outstanding</b>		<b>156,121,011</b>	<b>106,244,846</b>	<b>156,121,011</b>	<b>92,055,937</b>
<b>Basic and diluted loss per share</b>		<b>0.001</b>	<b>0.001</b>	<b>0.002</b>	<b>0.003</b>

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

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Changes in Equity

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Warrants	Share options	Equity component of the convertible debentures	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 31, 2023</b>		156,121,011	19,273,885	597,274	144,091	562,455	4,474,971	(13,398,296)	11,654,380
Warrants expired	13			(145,806)			145,806		-
Share options expired					(19,200)		19,200		-
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(288,473)	(288,473)
<b>Balance as at January 31, 2024</b>		156,121,011	19,273,885	451,468	124,891	562,455	4,639,977	(13,686,769)	11,365,907
<b>Balance as at July 31, 2022</b>		77,007,094	17,640,824	924,554	435,175	562,455	3,128,626	-12,792,989	9,898,645
Shares issued:									
Private placements	13	27,808,252	878,741	-	-	-	-	-	878,741
Private placements									-
Flow-through shares		51,305,665	1,539,170	-	-	-	-	-	1,539,170
Share issuance costs for private placement			(66,337)	-	-	-	-	-	(66,337)
Share issuance costs for flow through shares			(72,655)	-	-	-	-	-	(72,655)
Warrants issued			(1,304,523)	1,304,591	-	-	-	-	69
Issuance costs for warrants		-	-	(34)	-	-	-	-	(34)
Warrants expired	13	-	-	(142,947)	-	-	142,947	-	-
Share options expired		-	-	-	(9,260)	-	9,260	-	-
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(302,098)	(302,098)
<b>Balance as at January 31, 2023</b>		156,121,011	18,615,220	2,086,164	425,915	562,455	3,280,833	-13,095,087	11,875,499

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

# CANADIAN METALS INC.

## Condensed Interim Consolidated Statements of Cash Flows

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

	Note	Three month period ended		Six month period ended	
		January 31 2024	January 31 2023	January 31 2024	January 31 2023
<b>Operating activities:</b>		\$	\$	\$	\$
Net loss		(168,638)	(57,702)	(288,473)	(302,098)
Adjustments for:					
Effective interest costs on convertible debentures	11	53,709	50,527	104,793	101,326
Effective interest income on balance of purchase price receivable	9A	(9,000)	(63,745)	(22,541)	(95,394)
Operating activities before changes in working capital items		(123,929)	(70,920)	(206,221)	(296,166)
Change in accounts receivable	7	(118,204)	13,796	(136,794)	(9,104)
Change in prepaid expenses		4,380	4,301	(3,553)	(4,634)
Change in trade accounts payable and accrued liabilities		(357,626)	117,716	(148,544)	60,087
		(471,450)	135,813	(288,891)	46,349
<b>Cash flows used for operating activities</b>		(595,379)	64,893	(495,112)	(249,817)
<b>Financing activities:</b>					
Proceeds from issuance of shares and units	12	-	2,451,015	-	2,476,040
Share issuance costs	12	-	(29,473)	-	(29,473)
Repayment of convertible debentures	11	(37,825)	(59,930)	(61,386)	(97,155)
<b>Cash flows provided from (used for) financing activities</b>		(37,825)	2,361,612	(61,386)	2,349,412
<b>Investing activities:</b>					
Reduction in short-term investment		530,000	-	530,000	-
Proceeds from balance of purchase price receivable	9a	-	119,861	75,645	194,311
Government grants applied against exploration and evaluation assets	10	22,000	1,600	22,000	9,600
Acquisition of mining properties	9	-	(11,027)	-	(11,299)
Increase in exploration and evaluation assets	10	(806,439)	(272,569)	(1,299,103)	(352,075)
<b>Cash flows provided from investing activities</b>		(254,439)	(162,135)	(671,458)	(159,463)
<b>Net change in cash</b>		(887,643)	2,264,370	(1,227,956)	1,940,132
<b>Cash, beginning of year</b>		1,060,034	605,425	1,400,347	929,663
<b>Cash, end of year</b>		172,391	2,869,795	172,391	2,869,795

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

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

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### 1. Statutes of incorporation and nature of activities:

Canadian Metals Inc. (the "Company" or "Canadian Metals" or "CME") is a company domiciled in Canada. Canadian Metals was incorporated on August 17, 2012 under the *Québec Business Companies Act*. Canadian Metals is a public company listed on the Canadian Securities Exchange ("CSE") and its trading symbol is "CME".

The Company's head office, which is also the main establishment, is located at 2700-1000 Sherbrooke Street (O), Montreal, Quebec, H3A 3G4.

The Company specializes in the acquisition, exploration, evaluation and development of mineral properties in Quebec and New Brunswick.

### 2. Nature of operations and going concern:

The Company has not yet determined whether its mining properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties and exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development work of its mining properties, and upon future profitable production or proceeds from the disposal of mining properties.

Although management has taken actions to verify the ownership rights for mining properties in which the Company owns an interest and in accordance with industry standards for the current exploration phase of these properties, these procedures give no assurance to the Company as to title. The title to a mining property may be subject to unrecognized prior agreements and not compliant with regulatory requirements.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

As at January 31, 2024, the Company has working capital of \$547,984 including cash and cash equivalents and Short-term investments of \$642,391 and a cumulative deficit of \$13,686,768 and incurred a loss of \$288,473 during the quarter then ended. Management does not believe it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

To continue the Company's exploration and evaluation programs on its properties and its operations, the Company will need to raise additional funds through the issuance of new equity instruments, the selling of mineral properties and the search for partners to sign option agreements on certain of its mineral properties. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms that are acceptable to the Company.

The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

### 3. Basis of preparation:

These unaudited condensed interim consolidated 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*. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended July 31, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

The unaudited condensed interim consolidated financial statements for the reporting period ended January 31, 2024 (including comparatives) were approved and authorized for issue by the Board of Directors on March 25, 2024.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 3. Basis of preparation (Continued):

#### 3.1 Basis of measurement:

These unaudited and unreviewed condensed interim financial statements have been prepared on the historical cost basis except for certain assets at fair value.

#### 3.2 Consolidation:

The financial statements include the accounts of the Company and those of its subsidiary owned at 100%, Target Minerals Inc. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns, through its power over the entity. Target Minerals Inc. is fully consolidated from the date on which control was obtained by the Company and is deconsolidated from the date that control ceases. All intercompany accounts and transactions are eliminated.

Management determines its ability to exercise control over an entity by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement. Considering these factors, the Company is considered to have control over Target Minerals Inc.

#### 3.3 Functional and presentation currency:

These unaudited and unreviewed condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

### 4. Significant accounting policies:

These condensed interim financial statements were prepared in accordance with standard IAS 34 – Interim Financial Reporting and do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). They, however, include specific complimentary notes in order to provide information necessary to assess the financial situation of the Company at period end since its last annual financial statements dated July 31, 2023.

The accounting policies used to prepare these condensed interim unaudited financial statements are those described in the Company's audited financial statements for the year ended July 31, 2023, and have been applied throughout the period unless otherwise stated.

### 5. Critical accounting judgments and key sources of estimation uncertainty:

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 6. Mining properties:

Mining properties can be detailed as follows:

	Interest	July 31, 2022	Acquisition / Adjustment during the year ended Jul 31, 2023	July 31, 2023	Acquisition / Adjustment during the 6 months ended Jan 31, 2024	January 31, 2024
	%	\$	\$	\$	\$	\$
New Brunswick						
Blackshale <sup>(d)</sup>	100	842,777	-	842,777	-	842,777
Mountain Brook <sup>(d)</sup>	100	717,290	-	717,290	-	717,290
TV Tower <sup>(d)</sup>	100	272,954	-	272,954	-	272,954
Frenette <sup>(f)</sup>	100	10,180	-	10,180	-	10,180
Oxford Brook <sup>(g)</sup>	100	245,248	8,214	253,462	(4,834)	248,628
Nicholas-Denys <sup>(h)</sup>	100	6,084,982	48,204	6,133,186	(1,230)	6,131,956
Goldstrike and Millstream Gold <sup>(i)</sup>	100	499,343	20,862	520,205	(46,874)	473,331
		8,672,774	77,280	8,750,053	(52,938)	8,697,115

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 6. Mining properties (Continued):

#### a) Langis Property (Silica)

On May 1, 2019, the Company sold all its rights, titles and interests in the property, in exchange of a long-term quartz price lock-in supply agreement (LTA) and \$2,250,000 to Les Minéraux Industriels du Québec. \$500,000 was paid at closing and staged cash payments totalling \$1,750,000 modulated on the purchaser production on the Langis property, with the following deadlines: (i) \$150,000 on or before December 31, 2019; (condition fulfilled) (ii) \$300,000 on before each of December 31, 2020, 2021 and 2022 (condition fulfilled), (iii) \$450,000 by December 31, 2023. The Company is also entitled to a minimum royalty income of \$250,000 in 2024.

#### Balance of purchase price receivable

The purchase price receivable of \$2,250,000 does not bear interest and has been discounted using 10.13% reflecting the estimated credit risk of the buyer and collateral against the balance of purchase price at time of disposal.

	Jan 31, 2024	July 31, 2023
	\$	\$
Balance at the beginning	500,641	837,912
Effective interest income	-196,191	-19,025
Reimbursement	-75,645	-318,246
Balance end of year	228,804	500,641
Current portion	208,333	419,378
Non-current portion	20,471	81,263

#### d) TV Tower Property, Mountain Brook Property and Blackshale Property (zinc):

On March 16, 2018, the Company entered into an option agreement with NBZINC Inc., over which a company controlled by an officer and a director of the Company exercises a significant influence, to acquire an undivided 100% interest in the three following properties located in New Brunswick: TV Tower, Mountain Brook and Blackshale properties. The Blackshale Property is composed of 166 claims covering approximately 5,479 hectares, the Mountain Brook Property is composed of 139 claims covering approximately 4,233 hectares and the TV Tower Property is composed in 53 claims covering approximately 1,157 hectares. The claims are subject to a 2% NSR.

The Company shall be required to make a payment of US\$4,000,000 for each of the three properties for which it has acquired 100% of undivided interests, provided that the Company has made a public disclosure of a mineral resource estimate of 1,000,000 ounces of gold or gold-equivalent resources in the aggregate and in any and all categories for such property, for a total possible maximum payment of US\$12,000,000 for all three properties.

#### e) Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane Properties:

On February 26, 2019, the Company entered into a related party subscription agreement with FeTiV Minerals Inc. ("FeTiV") to acquire a direct 20% interest in the Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane properties for a consideration of \$440,000, subject to a 2% NSR.

During the year ended July 31, 2021, the Company wrote down to \$Nil the cost of the Silicate Brutus, Seignelay, Lac Robot, Baie-Trinité and Mouchalagane properties, as it no longer fits the Company's development strategy. Consequently, an impairment loss of \$42,175 on mining properties and \$25,780 on exploration and evaluation assets was recorded in net earnings.

#### f) Frenette Property (zinc):

On April 3, 2019 the Company entered into an arm's length option agreement to acquire an undivided 100% interest in 12 mining claims adjacent to its Blackshale property located west of the Brunswick 12 mine.

Pursuant to the terms and conditions of the option, the Company issued 45,000 common shares of the Company as follows:

- 15,000 Shares at \$0.55 per share for a total value of \$8,250 on the execution of the option (condition fulfilled); and
- 30,000 Shares at \$0.055 per share for a total value of \$1,650 on April 3, 2020 (condition fulfilled);

Upon exercise of the option, the Company will grant the optionees a 2% Net Smelter Returns (NSR) Royalty, subject to the right to purchase a 1% NSR royalty for \$1,000,000.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 6. Mining properties (Continued):

#### g) Oxford Brook Property (zinc):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 189 units located in Northwestern New-Brunswick in the Restigouche County. The value allocated to the property was \$240,178. The property is subject to a 2% NSR Royalty. (See Note 6)

#### h) Nicholas-Denys Property (polymetallic):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 356 units located in Northern New-Brunswick. The value allocated to the property was \$6,065,422. The property is subject to a 5% NSR Royalty, half of which is redeemable for \$1,000,000, a 3% NSR Royalty, half of which is redeemable for \$1,750,000 and an additional 1% NSR Royalty, half of which is redeemable for \$1,000,000. (See Note 6)

#### i) Goldstrike and Millstream Gold Property (gold-silver):

On July 27, 2021 the Company completed the acquisition of Target Minerals Inc. for the acquisition of a 100% interest in 208 units located in Northern New-Brunswick. The value allocated to the property was \$403,353. The property is subject to a 2% NSR Royalty, half of which is redeemable for \$1,000,000. (See Note 6)

### 7. Exploration and evaluation assets:

Exploration and evaluation assets by properties are detailed as follows:

	31-Jul-22	Exploration costs	Grant	31-Jul-23	Exploration costs	Grant	31-Jan-24
	\$	\$	\$	\$	\$	\$	\$
New Brunswick Blackshale	177,632	22,872	-	200,504	58,757	-	259,261
Mountain Brook	77,589	-	-	77,589	459,403	(22,000)	514,992
TV Tower	379,876	-	-	379,876	2,400	-	382,276
Frenette	8,050	-	-	8,050	-	-	8,050
Oxford Brook	31,332	116,860	-	148,192	273,431	-	421,623
Nicholas Denys	114,950	45,310	-	160,260	49,517	-	209,777
Goldstrike & Millstream	239,638	410,548	(21,600)	628,586	499,506	-	1,128,092
	1,029,067	595,590	(21,600)	1,603,057	1,343,013	(22,000)	2,924,071

### 8. Convertible debentures:

	31-Jan 2024	31-Jul 2023
	\$	\$
Convertible debentures bearing interest at 3% payable annually and maturing in March 2025. <sup>(a)</sup>	1,037,267	993,861
Current portion of convertible debentures	213,553	209,689
Non-current portion of convertible debentures	823,734	784,172
<i>(a) Debentures from related parties:</i>		
Directors	3,000	3,000
Company under control of a director	9,000	9,000
Company under control of an officer	12,600	12,600
	24,600	24,600

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 8. Convertible debentures (Continued from previous page):

The changes in the Company's liabilities arising from financing activities are as follows:

	31-Jan 2024	31-Jul 2023
Balance at the beginning	993,861	1,012,814
Cash flows		
Reimbursement	(61,386)	(173,105)
Interest paid	-	(43,039)
Non-Cash:		
Effective interest costs on convertible debentures	18,549	40,089
Effective interest costs on convertible debentures	86,243	157,101
Balance end of year	1,037,267	993,861

On December 18, 2020, the Company announced that all outstanding debentures have been exchanged for new debentures in the same principal amount of \$1,675,000. The new debentures have an issue price of \$1,000 per new debentures, mature on March 31, 2025, bear interest at 3% per annum, payable on March 31 of each year, which interest may, at the option of the Company, be settled in common shares. The principal amount of the new debentures can be convertible into common shares of the Company at the price of \$0.40 per conversion share. Fifty percent (50%) of the amount that the Company receives from Les Minéraux Industriels du Québec Inc. will be used to reduce the principal amount of the new debentures. On recognition, the liability component was measured using an effective interest rate of 22%, corresponding to the estimated market rate the Company would have received for a similar financing without the conversion right.

### 9. Share capital, warrants and options:

#### 9.1 Share capital:

In April 2022, the Company issued 500,000 common shares as consideration for acquiring a claim adjoining to the new LG discovery at its Gold Strike Project. Pursuant to the terms and conditions of the option, the Company issued 500,000 common shares of the Company and a cash payment of \$35,000. The Company valued the shares at a fair market value of \$0.10 or \$50,000.

On July 25, 2022, the Company completed a non-brokered private placement pursuant to which it has issued 1,950,000 units of the Corporation (each a "Unit") at a price of \$0.10 per Unit for a gross proceeds of \$195,000. Each Unit being comprised of one (1) Share and one-half of one (1/2) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.20 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$58,500 using Black-Scholes pricing model.

Also on July 25, 2022, the Company completed a private placement pursuant to which it has issued 1,247,300 common shares of the Corporation (each a "Share"), issued on a flow-through basis, at a price of \$0.13 per Share for a gross proceeds of \$162,149. The difference between the nominal value of the shares issued and the market value of the shares as on the date of issue has been transferred to "Flow-through share liability" account amounting to \$12,473. The Corporation paid finder fee of \$9,599 in cash and issued 73,836 non-transferable Finder's warrants entitling the holder thereof to purchase one (1) Share at an exercise price of \$0.20 per Share for a period of 24 months from the closing date.

Fair value of these warrants was estimated to be \$4,430 using Black-Scholes pricing model.

On December 29, 2022, the Company completed a non-brokered private placement pursuant to which it has issued 18,324,000 units of the Company (each a "Unit") at a price of \$0.0316 per Unit for a gross proceeds of \$579,038. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$217,974 using the Black-Scholes pricing model.

Also on December 29, 2022, the Company completed a private placement pursuant to which it has issued 55,261,361 Flow Through Units of the Company (each a "FT Unit") at a price of \$0.0316 per FT Unit for a gross proceeds of \$1,746,259. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$501,952 using the Black-Scholes pricing model.

On January 11, 2023, the Company completed a non-brokered private placement pursuant to which it has issued 5,528,556 units of the Company (each a "Unit") at a price of \$0.0316 per Unit for a gross proceeds of \$704,038.39. Each Unit being comprised of one (1) Share and one (1) Share purchase warrant, each whole warrant entitling the holder thereof to acquire one (1) additional Share at a price of \$0.048 per Share for a period of 24 months from the closing date. Fair value of these warrants was estimated to be \$54,349 using the Black-Scholes pricing model.

In respect of the share issuance in December 2022 and January 2023, the Company paid finder fee of \$115,260 in cash and issued 2,143 non-transferable Finder's warrants (Fair Value: \$34) entitling the holder thereof to purchase one (1) Share at an exercise price of \$0.048 per Share for a period of 24 months from the closing date.

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 9.2 Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

	January 31, 2024		July 31, 2023	
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		\$		\$
Outstanding at beginning	80,514,896	0.08	19,488,336	0.19
Granted	-	-	79,116,060	0.05
Expired	(350,000)	1.5	(18,089,500)	(0.15)
Outstanding at end	80,164,896	0.08	80,514,896	0.08

The following table provides outstanding warrants information as at January 31, 2024:

Expiry date	Outstanding warrants		
	Number of outstanding warrants	Exercise price	Remaining life
		\$	(years)
22-Jul-24	1,048,836	2.15	0.47
29-Dec-24	73,585,361	0.048	0.91
11-Jan-25	5,530,699	0.048	0.95
	80,164,896	0.08	1.15

### 9.3 Share option plan:

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

	January 31, 2024		July 31, 2023	
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		\$		\$
Outstanding at beginning	1,730,000	0.22	1,965,000	0.36
Expired	(30,000)	1.50	(235,000)	(1.37)
Outstanding at end	1,700,000	0.20	1,730,000	0.22
Exercisable at end	1,700,000	0.20	1,730,000	0.22

The following table provides outstanding share options information as at January 31, 2024:

Expiry date	Share options outstanding			
	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			\$	(years)
March 24, 2027	1,700,000	1,700,000	0.20	3.15
	1,700,000	1,700,000	0.20	3.15

# CANADIAN METALS INC.

## Notes to Condensed Interim Consolidated Financial Statements (continued)

Six-month periods ended January 31, 2024 and 2023

(in Canadian dollars)

### 10. Related party transactions:

Related parties include the Company's key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

	January 31, 2024	January 31, 2023
	\$	\$
Management and consulting fees	42,000	188,000
Exploration and evaluation assets	18,000	-

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

As at January 31, 2024, trade accounts payable and accrued liabilities include \$6,999 payable to key management personnel. As at July 31, 2023, trade accounts payable and accrued liabilities include \$33,276 payable to key management personnel.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.