

Musk Metals Corp.

Condensed Interim Financial Statements

For the Three Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

Musk Metals Corp.
Condensed Interim Financial Statements
June 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

| <u>Index</u> | <u>Page</u> |
|---|--------------------|
| Notice of No Auditor Review of Condensed Interim Financial Statements | 1 |
| Financial Statements: | |
| Condensed Interim Statements of Financial Position | 2 |
| Condensed Interim Statements of Loss and Comprehensive Loss | 3 |
| Condensed Interim Statements of Changes in Shareholders' Equity | 4 |
| Condensed Interim Statements of Cash Flows | 5 |
| Notes to the Condensed Interim Financial Statements | 6-14 |

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

Musk Metals Corp.
Condensed Interim Statements of Financial Position
Expressed in Canadian dollars
(Unaudited)

| | Note | June 30, 2024 | March 31, 2024 |
|--|------|------------------|-------------------|
| | | | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash | | 5,728 | 6,449 |
| Prepaid expenses | | 515 | 3,515 |
| Sales tax recoverable | | 54,419 | 45,994 |
| Short-term investments | 4 | 14,740 | 51,932 |
| Total current assets | | 75,402 | 107,890 |
| Exploration and evaluation assets | 5 | 1,412,999 | 1,440,925 |
| Total assets | | 1,488,401 | 1,548,815 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payables and accrued liabilities | 6 | 359,455 | 525,462 |
| Due to related parties | 9 | 155,243 | 207,862 |
| Other liabilities | 7 | 42,564 | 42,564 |
| Total liabilities | | 557,262 | 775,888 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 8 | 5,974,195 | 5,618,325 |
| Reserve | | 1,216,109 | 1,235,707 |
| Accumulated deficit | | (6,259,165) | (6,081,105) |
| Total shareholders' equity | | 931,139 | 772,927 |
| Total liabilities and shareholders' equity | | 1,488,401 | 1,548,815 |

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Board:

Emily Sewell (signed)
Emily Sewell, Director

Mario Pezzente, (signed)
Mario Pezzente, Director

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

Musk Metals Corp.**Condensed Interim Statements of Loss and Comprehensive Loss**

Expressed in Canadian dollars

(Unaudited)

| | | For the Three Months Ended June 30, | |
|---|------|--|-------------|
| | Note | 2024 | 2023 |
| | | \$ | \$ |
| EXPENSES | | | |
| Consulting | 9 | 78,000 | 78,000 |
| Corporate administration | | 10,860 | 8,738 |
| Directors' fees | 9 | 9,000 | 12,000 |
| Impairment of E&E Assets | | 396 | - |
| Interest and penalties | | 7,285 | 23,839 |
| Management fees | 9 | 22,500 | 22,500 |
| Office and miscellaneous | | 8,378 | 8,518 |
| Professional fees | | 4,500 | 5,854 |
| Project investigation costs | | 2,857 | - |
| Share-based compensation | 8,9 | 23,602 | - |
| Shareholder communications | | 30,000 | 2,387 |
| Transfer agent and filing fees | | 3,937 | 9,847 |
| | | (201,315) | (171,683) |
| OTHER ITEMS | | | |
| Gain on settlement of debt | | 29,330 | - |
| Realized loss on short-term investments | | (241,640) | - |
| Settlement of flow-through liability | 7 | - | 9,227 |
| Unrealized gain on short-term investments | 4 | 235,565 | 17,000 |
| NET LOSS AND COMPREHENSIVE LOSS | | (178,060) | (145,456) |
| LOSS PER SHARE – Basic and diluted | | (0.01) | (0.01) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – Basic and diluted | | 26,534,070 | 18,593,776 |

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

Musk Metals Corp.
Condensed Interim Statements of Changes in Shareholders' Equity

Expressed in Canadian dollars

(Unaudited)

| | Number | Share Capital | Reserve | Accumulated Deficit | Total |
|---|-----------------------|----------------------|----------------------|------------------------|--------------------|
| | | \$ | \$ | \$ | \$ |
| Balance, March 31, 2023 | 18,593,776 | 5,238,612 | 1,202,873 | (5,098,932) | 1,342,553 |
| Net loss and comprehensive loss | - | - | - | (145,456) | (145,456) |
| Balance, June 30, 2023 | 18,593,776 | 5,238,612 | 1,202,873 | (5,244,388) | 1,197,097 |
| Balance, March 31, 2024 | 24,789,776 | 5,618,325 | 1,235,707 | (6,081,105) | 772,927 |
| Common shares issued upon vesting of RSUs | 1,440,000 | 43,200 | (43,200) | - | - |
| Common shares issued for settlement of debt | 7,816,743 | 312,670 | - | - | 312,670 |
| Share-based compensation | - | - | 23,602 | - | 23,602 |
| Rounding | 1 | - | - | - | - |
| Net loss and comprehensive loss | - | - | - | (178,060) | (178,060) |
| Balance, June 30, 2024 | 34,046,520 | 5,974,195 | 1,216,109 | (6,259,165) | 931,139 |

(*) The Company effected a 4:1 share consolidation on June 9, 2023. All share and per share amounts have been retrospectively presented to reflect the share consolidation.

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

Musk Metals Corp.
Condensed Interim Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited)

| | For the Three Months Ended June 30, | |
|--|--|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Net loss for the period | (178,060) | (145,456) |
| Items not affecting cash: | | |
| Settlement of flow-through liability | - | (9,227) |
| Impairment of exploration and evaluation assets | 396 | - |
| Gain on settlement of debt | (29,330) | - |
| Unrealized gain on short-term investments | (235,565) | (17,000) |
| Realized loss on short-term investments | 241,640 | - |
| Share-based compensation | 23,602 | - |
| Change in non-cash working capital items: | | |
| Prepaid expenses | 3,000 | 2,387 |
| Sales tax recoverable | (8,425) | (15,594) |
| Due to related parties | 57,381 | 14,076 |
| Accounts payables and accrued liabilities | 31,090 | 14,730 |
| Cash flows used in operating activities | (94,271) | (156,084) |
| INVESTING ACTIVITIES | | |
| Proceeds from option payments on exploration and evaluation assets | 25,000 | - |
| Exploration and evaluation expenditures, net of tax credits | (567) | (18,969) |
| Proceeds from sale of short-term investments | 37,117 | - |
| Cash flows provided by (used in) investing activities | 61,550 | (18,969) |
| FINANCING ACTIVITIES | | |
| Loan from related party | 39,785 | 50,000 |
| Repayments of loans from related party | (7,785) | - |
| Cash flows provided by financing activities | 32,000 | 50,000 |
| Change in cash | (721) | (125,053) |
| Cash, beginning of period | 6,449 | 192,633 |
| CASH, END OF PERIOD | 5,728 | 67,580 |
| NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Common shares issued to settle accounts payable and related parties payable | 312,670 | - |
| Exploration and evaluation expenditures in accounts payable | 51,773 | - |
| Fair value of short-term investment received as option payment on exploration and evaluation on assets | 6,000 | 19,000 |

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

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Musk Metals Corp. ("Musk" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia). The principal business of the Company is the acquisition, exploration, and evaluation of mineral properties in Canada. The Company's shares trade on the Canadian Securities Exchange under the symbol "MUSK".

The address of its head office is located at Suite 2905 - 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1C6. The address of its registered office is 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1.

These condensed interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"), which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At June 30, 2024, the Company had not yet achieved profitable operations. The Company expects to incur further losses in the development of its exploration assets. The continued operations of the Company are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. These conditions represent a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might 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 interim financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The condensed interim financial statements of the Company should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2024, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Approval of the condensed interim financial statements

The condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue on August 29, 2024 by the Board of Directors of the Company.

(c) Basis of preparation

The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets carried at fair value. The condensed interim financial statements are presented in Canadian dollars, the functional currency of the Company, unless otherwise noted.

(d) Use of estimates and judgements

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PRESENTATION (continued)

(d) Use of estimates and judgements (continued)

The preparation of these condensed interim financial statements require management to make judgments regarding the going concern of the Company, as discussed in Note 1, and the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Deferred tax assets and liabilities
- Carrying value and recoverability of exploration and evaluation assets

3. FUTURE ACCOUNTING STANDARDS, AMENDMENTS, AND INTERPRETATIONS

There are no other pending IFRSs or IFRIC interpretations that are expected to have a material impact on the Company's condensed interim financial statements.

4. SHORT-TERM INVESTMENTS

Hi-View Resources Inc.

During the year ended March 31, 2023, the Company received 400,000 common shares of Zeal Exploration Inc. ("Zeal"), a private company, with a fair value of \$20,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 5).

On April 26, 2023, the Company received 400,000 common shares of Hi-View Resources Inc. ("Hi-View"), a publicly traded company, in exchange for its short-term investment of 400,000 common shares of Zeal pursuant to the acquisition of Zeal by Hi-View. The Chief Financial Officer of the Company is also a Director of Hi-View.

On June 21, 2023, the Company received an additional 200,000 common shares of Hi-View with a fair value of \$19,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 5).

On December 28, 2023, the Company received an additional 500,000 common shares of Hi-View with a fair value of \$10,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 5).

On May 27, 2024, the Company received an additional 200,000 common shares of Hi-View with a fair value of \$6,000 pursuant an option agreement on its Lawyers East, West and North Prospects (Note 5).

Jinhua Capital Corp.

On August 9, 2023, the Company received 3,443,240 common shares of Jinhua Capital Corporation ("Jinhua"), a publicly traded company, with a fair value of \$309,891 pursuant an option agreement on its Pluto Property (Note 5).

The fair value of the common shares of Hi-View and Jinhua received and held was determined by reference to their publicly quoted stock prices.

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

4. SHORT-TERM INVESTMENT (continued)

| | March 31, 2024 | | | Unrealized gain | June 30, 2024 |
|-------------------------|---------------------------|------------------|------------------|----------------------------|--------------------------|
| | fair value | Additions | Disposals | | fair value |
| | \$ | \$ | \$ | \$ | \$ |
| Hi-View – Common shares | 22,500 | 6,000 | (13,866) | 106 | 14,740 |
| Jinhua – Common shares | 29,432 | - | (264,891) | 235,459 | - |
| | 51,932 | 6,000 | (278,757) | 235,565 | 14,740 |

During the three months ended June 30, 2024, the Company sold 363,000 common shares of Hi-View with a cost of \$13,866 for net proceeds of \$7,350 and 2,943,240 common shares of Jinhua with a cost of \$264,891 for net proceeds of \$29,767, resulting in a realized loss on short-term investments of \$241,640.

5. EXPLORATION AND EVALUATION ASSETS***Pluto Gold Prospect, Quebec***

The Company has acquired the rights, through staking, to mineral claims located in the Chapais Township, Quebec, collectively known as the Pluto Gold Prospect.

On January 19, 2022, and as amended on May 11, 2022, and June 27, 2023, the Company entered into an option agreement with Jinhua Capital Corp. ("Jinhua") on the Pluto Gold Prospect, whereby Jinhua can earn up to a 100% interest in the property. The optionee may exercise the first option and earn a 80% interest in the property by paying the Company \$118,324 in cash, common shares of Jinhua, or combination thereof, on the closing date of the Option Agreement (1,183,240 common shares issued by Jinhua to the Company on August 9, 2023); and an additional \$118,324 in cash, common shares of Jinhua, or combination thereof, at the sole election of Jinhua on or before the date that is 18 months from the Exchange approval and closing of concurrent private placement of at least \$500,000 ("Closing Date").

Upon the exercise of the First Option, Jinhua and the Company will be deemed to have formed a joint venture (the "Joint Venture") on a 80% - 20% basis, and will promptly execute a Joint Venture agreement based upon the material terms attached to the Option Agreement. Jinhua will initially have a participating interest in the Joint Venture and the Company will initially have a carried interest in the Joint Venture until the earlier of: (a) exercise of the Second Option (as defined herein); and (b) termination of the Second Option. In the event the Second Option is terminated for failing to satisfy the conditions thereof, the Company's interest in the Property will automatically change to a participating interest.

The optionee may exercise the second option and earn the remaining 20% interest in the property by incurring at least \$250,000 in qualified exploration and development expenditures on the Property (the "Expenditures") on or before the fourth anniversary of the execution of the Option Agreement; and incurring an additional \$500,000 (\$750,000 in aggregate) in Expenditures on or before the fifth anniversary of the execution of the Option Agreement. Upon the exercise of the Second Option, the Joint Venture will terminate. In the event that Jinhua fails to satisfy the conditions to exercise the Second Option, the Second Option will terminate, the Company's interest will automatically change from a carried interest to a participating interest, and the parties will proceed to advance the Property in accordance with the Joint Venture agreement terms.

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Pluto Gold Prospect, Quebec (continued)

Pursuant to the Option Agreement, the Company will advance \$226,000 (paid) to the authors (the "Authors") of the technical report on the Property (the "Technical Report") for the Authors to undertake the proposed phase 1 geological work program on the Property as set out in the Technical Report ("Phase 1 Work"). The Option Agreement provides for the following:

- upon the Authors completing the Phase 1 Work, the Company has agreed to immediately undertake commercially reasonable efforts to provide Jinhua with all relevant and supporting geological information, details, logs, invoices, expenditures and other documents evidencing the completion of the Phase 1 Work (the "Geological Records") (provided); and
- upon receipt of the Geological Records by Jinhua and verification that the Geological Records evidence that the Authors have completed the Phase 1 Work by expending at least \$200,000 thereto in accordance with standard practices for geological work in Canada (the "Eligible Expenditures"), Jinhua will promptly issue 2,260,000 common shares at a deemed issue price of \$0.10 per share to the Company (each, an "Expenditure Share").

Any Expenditure Shares will be issued pursuant to an exemption under applicable securities laws and will bear a restricted period of four months and one day in accordance. Jinhua has received the Geological Records evidencing the Eligible Expenditures. The 2,260,000 of Expenditure Shares were issued by Jinhua to the Company on August 9, 2023.

Lawyers East and West Prospect, B.C.

On September 22, 2020, the Company acquired mineral claims located in the Golden Triangle region of British Columbia, collectively known as the Lawyers East and West Prospect.

Lawyers North Prospect, B.C.

On January 4, 2021, the Company acquired mineral claims located in the Golden Triangle region of British Columbia, collectively known as the Lawyers North Prospect.

On June 1, 2022, as amended on June 5, 2023, June 7, 2023, and December 18, 2023, the Company entered into an option agreement on its Lawyers East, West and North Prospects with a subsidiary of Hi-View (the "Optionee"), whereby the Optionee can earn up to a 100% interest in the properties. The Chief Financial Officer of the Company is a Director of Hi-View. The Optionee may exercise the first option and earn a 50% interest in the properties by paying \$20,000 (received) and issuing 400,000 common shares (received) upon signing, issuing 200,000 common shares of Hi-View (received) by June 21, 2023, paying \$10,000 (received) and issuing 500,000 common shares of Hi-View (received) by December 31, 2023, paying \$25,000 (received) and issuing 200,000 common shares of Hi-View (received) within 24 months of signing, and making certain exploration expenditures on the property within 24 months from the date of the option agreement. On May 27, 2024, the Optionee exercised the first option and now holds a 50% interest in the properties. The Optionee may exercise the second option within 36 months of the date of the option agreement and earn an additional 50% interest in the properties for a total of 100% interest by paying the Company \$90,000, issuing 800,000 common shares of Hi-View, and granting a 2% NSR with 1% of the NSR purchasable for \$1,000,000 by the optionee.

Elon Lithium Prospect, Quebec

On March 25, 2021, the Company acquired mineral claims located in the La Corne and Fiedmont townships of Quebec, collectively known as the Elon Lithium Prospect.

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (continued)***Allison Lake Prospect, Ontario***

On January 31, 2022, the Company entered into a Mineral Property Purchase Agreement to acquire 100% interest in four mineral claims constituting the Allison Lake Prospect in consideration for \$10,000 (paid) and 375,000 common shares (issued). The vendors will retain a 1.5% NSR on the property, of which the Company may purchase one half of the NSR for \$1,000,000 at any time up to commencement of production. During the year ended March 31, 2024, the Company recognized an impairment of \$131,367 on the Allison Lake Prospect.

Pontax South Prospect, Quebec

On July 19, 2023, as amended on October 10, 2023 and on July 10, 2024 (amended subsequently – Note 11(a)), the Company acquired two lithium properties located in James Bay, Quebec. The purchase price payable to the arm's length vendors for the mineral claims shall be as follows:

- (i) cash payment of \$50,000 to be paid on or before June 26, 2024 (extended to December 26, 2024 – Note 11(a));
- (ii) issuing 1,500,000 common shares of the Company to each of the two vendors (issued); and
- (iii) granting a 2% underlying royalty. The Company has a right to acquire 1% (50% of the underlying royalty) at any time for the payment of \$1,000,000.

In connection with the acquisition, the Company incurred finder's fees of \$18,700. As at June 30, 2024, the \$50,000 due under the agreement is included in accounts payable and accrued liabilities.

Fafnir Lake Prospect, Quebec

On January 10, 2024, the Company acquired 36 mineral claims located in the Upper Laurentides region of Quebec, collectively known as the Fafnir Lake Prospect.

Bissent Lake Prospect, Quebec

On January 10, 2024, the Company acquired 35 mineral claims located in the Upper Laurentides region of Quebec, collectively known as the Bissent Lake Prospect.

The Company has incurred costs on its exploration and evaluation assets as follows:

| | Pluto Gold Prospect \$ | Lawyers East, West and North Prospects \$ | Elon Lithium Prospect \$ | Pontax South Prospect \$ | Fafnir Lake Prospect \$ | Bissent Lake Prospect \$ | Total \$ |
|---------------------------|---------------------------------|--|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|-------------|
| Balance, March 31, 2024 | 134,096 | 193,243 | 723,108 | 384,293 | 3,131 | 3,054 | 1,440,925 |
| Exploration expenditures: | | | | | | | |
| Claim administration | 435 | 1,329 | 435 | 435 | 154 | 286 | 3,074 |
| Option payment received: | | | | | | | |
| Cash | - | (25,000) | - | - | - | - | (25,000) |
| Shares | - | (6,000) | - | - | - | - | (6,000) |
| Balance, June 30, 2024 | 134,531 | 163,572 | 723,543 | 384,728 | 3,285 | 3,340 | 1,412,999 |

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | June 30, 2024 | March 31, 2024 |
|--|--------------------------|---------------------------|
| | \$ | \$ |
| Accounts payable | 230,071 | 402,682 |
| Accrued liabilities | 79,384 | 72,780 |
| Exploration and evaluation asset acquisition costs | 50,000 | 50,000 |
| | 359,455 | 525,462 |

7. OTHER LIABILITIES

Other liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

| Flow-through Liabilities | \$ |
|--|-----------|
| Balance, March 31, 2024 | 42,564 |
| Settlement of flow-through share liability on incurring expenditures | - |
| Balance, June 30, 2024 | 42,564 |

8. SHARE CAPITAL

(a) Authorized – Unlimited number of common shares without par value.

(b) Issued and Outstanding

On April 4, 2024, the Company issued 990,000 common shares in respect to RSUs which vested on March 25, 2024. Upon issuance, the fair value of \$29,700 was transferred from reserve to share capital.

On June 21, 2024, the Company issued a total of 7,816,743 common shares with fair value of \$312,670 to settle accounts payable of \$200,000 and amounts payable to related parties of \$142,000, resulting in a gain on settlement of \$29,330.

On June 25, 2024, the Company issued 450,000 common shares in respect to RSUs which vested on June 25, 2024. Upon issuance, the fair value of \$13,500 was transferred from reserve to share capital.

(c) Stock Options

The Company's incentive stock option plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements and limitations, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares.

As at June 30, 2024, there are no stock options outstanding and exercisable.

(d) Share Purchase Warrants

| | Number of Warrants | Weighted Average Exercise Price \$ |
|--|-------------------------------|---|
| Balance, March 31, 2024, and June 30, 2024 | 5,665,250 | 0.18 |

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

8. SHARE CAPITAL (continued)**(d) Share Purchase Warrants (continued)**

As at June 30, 2024, the Company had 5,665,250 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

| Number of Warrants | Exercise Price | Expiry Date |
|---------------------------|-----------------------|--------------------|
| | \$ | |
| 1,601,000 | 0.12 | August 23, 2025 |
| 2,034,625 | 0.20 | April 19, 2027 |
| 2,019,625 | 0.20 | November 15, 2027 |
| 8,201,595 | | |

As at June 30, 2024, the weighted average remaining life of warrants outstanding was 2.54 years.

(e) Restricted Share Units

On March 25, 2024, the Company entered into Restricted Share Unit Agreements with directors and consultants of the Company to issue a total of 2,475,000 restricted share units ("RSUs"). The RSU's expire on March 25, 2025, and vest as follows:

- 40% on March 25, 2024;
- 20% on June 25, 2024;
- 20% on September 25, 2024; and
- 20% on December 25, 2024.

The fair value of the RSUs is measured based on the closing price of the Company's common shares on the grant date and is recognized as share-based compensation over the vesting period.

| | Number of RSU's |
|---------------------------------|------------------------|
| Balance, March 31, 2024 | 2,475,000 |
| Vested and common shares issued | (1,440,000) |
| Balance, June 30, 2024 | 1,035,000 |

On April 4, 2024 and June 25, 2024, the Company issued a total of 1,440,000 common shares in respect to RSUs which are fully vested. The related fair value of \$43,200 was transferred from reserve to share capital. During the three months ended June 30, 2024, the Company recognized share-based compensation expense of \$23,602 (2023 - \$nil) related to the RSU's, of which \$13,938 (2023 - \$nil) pertained to officers and directors of the Company.

9. RELATED PARTY TRANSACTIONS*Key management personnel compensation and other related party transactions*

The Company considers key management personnel to be the directors and officers of the Company. The remuneration of directors and other members of key management for the three months ended June 30, 2024, and 2023, are as follows:

| | 2024 | 2023 |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Consulting | 78,000 | 39,000 |
| Director's fees | 9,000 | 12,000 |
| Management fees | 22,500 | 22,500 |
| Share-based compensation | 13,938 | - |
| | 123,438 | 132,500 |

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

9. RELATED PARTY TRANSACTIONS (continued)

Related party balances

As at June 30, 2024, the Company has a balance of \$nil (March 31, 2024 - \$13,125) payable to a company controlled by the Chief Executive Officer of the Company.

As at June 30, 2024, the Company has a balance of \$77,450 (March 31, 2024 - \$136,500) payable to a company controlled by the father of the Chief Financial Officer ("CFO") of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at June 30, 2024, the Company has a balance of \$37,467 (March 31, 2024 - \$5,467) payable to the father of the CFO of the Company. The amount is unsecured, bears interest at 10% per annum and due on demand. As at June 30, 2024, the Company has recognized accrued interest of \$801 (March 31, 2024 - \$120) which is owing to the father of the CFO of the Company.

As at June 30, 2024, the Company has a balance of \$nil (March 31, 2024 - \$13,125) payable to a company controlled by a Director of the Company.

As at June 30, 2024, the Company has a balance of \$3,000 (March 31, 2024 - \$3,000) payable to an former Director of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at June 30, 2024, the Company has a balance of \$36,000 (March 31, 2024 - \$36,000) payable to the former Chief Executive Officer of the Company. The amount is unsecured, non interest-bearing and due on demand.

As at June 30, 2024, the Company has a balance of \$525 (March 31, 2024 - \$525) payable to a company controlled by a Director of the Company. The amount is unsecured, non interest-bearing and due on demand.

On June 21, 2024, the Company issued a total of 3,165,581 common shares with fair value of \$126,623 to settle amounts payable to related parties of \$142,000, resulting in a gain on settlement of \$15,377.

10. 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. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) 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. The Company's cash is deposited with a major bank in Canada. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

(b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and the advance of loans. The Company's access to equity financing is dependent upon market conditions and market risks. There can be no assurance of continued access to equity funding.

Musk Metals Corp.

Notes to the Condensed Interim Financial Statements

June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

(c) Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and fixed interest-bearing loans, therefore, interest rate risk is nominal.

(d) Capital management

The Company's policy is to maintain a capital base sufficient to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working capital and share capital. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

(e) Fair value

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;

Level 3 – Inputs that are not based on observable market data.

The fair value of short-term investments was determined by reference to publicly quoted stock prices and is therefore classified as level 1 within the fair value hierarchy.

11. SUBSEQUENT EVENTS

- (a) On July 10, 2024, the Company entered into an amended purchase agreement on its Pontax South Prospect to extend the due date of the \$50,000 cash payment from June 26, 2024, to December 26, 2024.
- (b) On August 21, 2024, the Company entered into a share purchase agreement to acquire the Temis Sun Polymetallic Project located southeast of Ville-Marie, Quebec. Pursuant to the terms of the agreement, the Company has agreed to acquire all of the issued and outstanding shares of VFA from the vendors in consideration for 5,500,000 common shares. The agreement is subject to normal course due diligence and applicable regulatory approvals.
- (c) Subsequent to the three months ended June 30, 2024, a total of 135,000 RSU's were forfeited.