

Musk Metals Corp.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED 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 consolidated 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 consolidated 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 Consolidated Statements of Financial Position
Expressed in Canadian dollars
(Unaudited)

	Note	September 30, 2024	March 31, 2024
			\$
ASSETS			
Current assets			
Cash		788	6,449
Prepaid expenses		515	3,515
Sales tax recoverable		49,672	45,994
Short-term investments	4	4,000	51,932
Total current assets		54,975	107,890
Exploration and evaluation assets	5	1,582,984	1,440,925
Total assets		1,637,959	1,548,815
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	6	421,532	525,462
Due to related parties	9	228,492	207,862
Other liabilities	7	42,564	42,564
Total liabilities		692,588	775,888
SHAREHOLDERS' EQUITY			
Share capital	8	6,152,695	5,618,325
Reserve		1,213,509	1,235,707
Accumulated deficit		(6,420,833)	(6,081,105)
Total shareholders' equity		945,371	772,927
Total liabilities and shareholders' equity		1,637,959	1,548,815

Nature of operations and going concern (Note 1)
Subsequent event (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 consolidated financial statements.

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

Expressed in Canadian dollars

(Unaudited)

	Note	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
EXPENSES					
Consulting	9	78,000	81,750	156,000	159,750
Corporate administration		9,488	6,843	20,348	15,581
Directors' fees	9	4,000	12,000	13,000	24,000
Impairment of exploration and evaluation assets		-	-	396	-
Interest and penalties		4,337	(1,541)	11,622	22,298
Management fees	9	25,000	22,500	47,500	45,000
Office and miscellaneous		8,478	8,456	16,856	16,974
Professional fees		13,972	7,973	18,472	13,827
Project investigation costs		-	-	2,857	-
Share-based compensation	8,9	10,900	-	34,502	-
Shareholder communications		-	2,413	30,000	4,800
Transfer agent and filing fees		6,538	4,142	10,475	13,989
		(160,713)	(144,536)	(362,028)	(316,219)
OTHER ITEMS					
Settlement of flow-through liability	7	-	31,000	-	40,227
Unrealized loss on short-term investment	4	9,759	(144,513)	245,324	(127,513)
Loss on marketable securities		(10,714)	-	(252,354)	-
Gain on settlement of debt		-	-	29,330	-
		(161,668)	(258,049)	(339,728)	(403,505)
NET LOSS AND COMPREHENSIVE LOSS					
		(161,668)	(258,049)	(339,728)	(403,505)
LOSS PER SHARE – Basic and diluted					
		(0.00)	(0.01)	(0.01)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – Basic and diluted					
		35,924,238	21,624,755	31,254,809	20,117,547

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

Musk Metals Corp.**Condensed Interim Consolidated 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
Common shares issued for exploration and evaluation assets	3,000,000	210,000	-	-	210,000
Units issued for cash	1,575,000	126,000	-	-	126,000
Share issuance costs	-	(4,821)	1,357	-	(3,464)
Net loss and comprehensive loss	-	-	-	(403,505)	(403,505)
Balance, September 30, 2023	23,168,776	5,569,791	1,204,230	(5,502,437)	1,271,584
Balance, March 31, 2024	24,789,776	5,618,325	1,235,707	(6,081,105)	772,927
Common shares issued for acquisition of VFA Mining Corp.	5,500,000	165,000	-	-	165,000
Common shares issued upon vesting of RSUs	1,890,000	56,700	(56,700)	-	-
Common shares issued for settlement of debt	7,816,743	312,670	-	-	312,670
Share-based compensation	-	-	34,502	-	34,502
Rounding	1	-	-	-	-
Net loss and comprehensive loss	-	-	-	(339,728)	(339,728)
Balance, September 30, 2024	39,996,520	6,152,695	1,213,509	(6,420,833)	945,371

(*) 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 Consolidated Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited)

	For the Six Months Ended September 30,	
	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(339,728)	(403,505)
Items not affecting cash:		
Settlement of flow-through liability	-	(40,227)
Impairment of exploration and evaluation assets	396	-
Gain on settlement of debt	(29,330)	-
Unrealized gain on short-term investments	(245,324)	127,513
Realized loss on short-term investments	252,354	-
Share-based compensation	34,502	-
Change in non-cash working capital items:		
Prepaid expenses	3,000	16,620
Sales tax recoverable	(3,678)	48,280
Due to related parties	112,630	56,250
Accounts payables and accrued liabilities	88,046	44,834
Cash flows used in operating activities	(127,132)	(150,235)
INVESTING ACTIVITIES		
Proceeds from option payments on exploration and evaluation assets	25,000	-
Exploration and evaluation expenditures, net of tax credits	(431)	(95,484)
Proceeds from sale of short-term investments	46,902	-
Cash flows provided by (used in) investing activities	71,471	(95,484)
FINANCING ACTIVITIES		
Proceeds from units for cash, net of share issuance costs	-	122,536
Loan from related party	57,785	55,250
Repayments of loans from related party	(7,785)	(55,250)
Cash flows provided by financing activities	50,000	122,536
Change in cash	(5,661)	(123,183)
Cash, beginning of period	6,449	192,633
CASH, END OF PERIOD	788	69,450
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common shares issued for acquisition of VFA Mining Corp.	165,000	-
Common shares issued for exploration and evaluation asset	-	210,000
Common shares issued upon vesting of RSUs	56,700	-
Common shares issued to settle debt	312,670	-
Exploration and evaluation acquisition costs in accounts payable	50,000	68,700
Exploration and evaluation expenditures in accounts payable	52,952	45,188
Fair value of short-term investment received as option payment on exploration and evaluation on assets	6,000	328,891
Fair value of broker warrants for share issuance costs	-	1,357

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

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 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 consolidated 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 September 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 consolidated 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 consolidated financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated 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 November 29, 2024 by the Board of Directors of the Company.

(c) Basis of preparation

The condensed interim consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2024

(Expressed in Canadian dollars)

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2. BASIS OF PRESENTATION (continued)

(d) Use of estimates and judgements (continued)

The preparation of these condensed interim consolidated 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

(e) Basis of consolidation

The Company's condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, VFA Mining Corp. The subsidiary is controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entities and having the ability to affect those returns through its power over the entities. The subsidiary is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

(f) 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.

3. ACQUISITION OF VFA MINING CORP.

On August 30, 2024, the Company completed a share purchase agreement with VFA Mining Corp. ("VFA") and the shareholders of VFA (collectively, the "Vendors"), pursuant to which the Company acquired all of the issued and outstanding shares of VFA from the Vendors for consideration of 5,500,000 common shares. The acquisition of the VFA shares has been accounted for as an asset acquisition as at the time of the transaction, VFA did not meet the definition of a business. The consideration paid has been allocated to the exploration and evaluation assets as at the date of acquisition.

The purchase price of the acquisition has been allocated as follows:

Purchase Price	\$
Fair value of common shares	165,000
	<u>165,000</u>
Net Assets Acquired	\$
Exploration and evaluation assets (Note 5)	168,942
Accounts payable	(3,942)
	<u>165,000</u>

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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4. SHORT-TERM INVESTMENTS

As at September 30, 2024, the Company held 200,000 shares (March 31, 2024 – 900,000 shares) of Hi-View Resources Inc. (“Hi-View”), a publicly traded company, and nil shares (March 31, 2024 – 2,943,240 shares) of Jinhua Capital Corporation (“Jinhua”), a publicly traded company.

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.

	March 31, 2024 fair value \$	Additions \$	Disposals \$	Unrealized gain \$	September 30, 2024 fair value \$
Hi-View – Common shares	22,500	6,000	(34,365)	9,865	4,000
Jinhua – Common shares	29,432	-	(264,891)	235,459	-
	51,932	6,000	(299,256)	245,324	4,000

On May 27, 2024, the Company received 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).

During the six months ended September 30, 2024, the Company sold 900,000 common shares of Hi-View with a cost of \$34,365 for net proceeds of \$17,135 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 \$252,354.

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.

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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5. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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.

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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, 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 December 26, 2024;
- (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 September 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.

Temis Sun Gold Prospect, Quebec

On August 30, 2024, the Company acquired mineral claims located southeast of Ville-Marie, Quebec, collectively known as the Temis Sun Gold Prospect in connection with the acquisition of VFA Mining Corp. (Note 3).

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2024

(Expressed in Canadian dollars)

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5. EXPLORATION AND EVALUATION ASSETS (continued)

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 \$	Temis Sun Gold Prospect \$	Total \$
Balance, March 31, 2024	134,096	193,243	723,108	384,293	3,131	3,054	-	1,440,925
Acquisition Costs	-	-	-	-	-	-	168,942	168,942
Exploration expenditures:								
Claim administration	609	1,503	609	609	328	459	-	4,117
Option payment received:								
Cash	-	(25,000)	-	-	-	-	-	(25,000)
Shares	-	(6,000)	-	-	-	-	-	(6,000)
Balance, September 30, 2024	134,705	163,746	723,717	384,902	3,459	3,513	168,942	1,582,984

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2024 \$	March 31, 2024 \$
Accounts payable	323,148	402,682
Accrued liabilities	48,384	72,780
Exploration and evaluation asset acquisition costs	50,000	50,000
	421,532	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, September 30, 2024	42,564

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2024

(Expressed in Canadian dollars)

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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.

On August 30, 2024, the Company issued 5,500,000 common shares with a fair value of \$165,000 pursuant to a share purchase agreement to acquire a 100% interest in VFA Mining Corp. (Note 3).

On September 25, 2024, the Company issued 450,000 common shares in respect to RSUs which vested on September 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 September 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 September 30, 2024	5,655,250	0.18

As at September 30, 2024, the Company had 5,655,250 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
5,655,250		

As at September 30, 2024, the weighted average remaining life of warrants outstanding was 2.29 years.

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8. SHARE CAPITAL (continued)

(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	(1,890,000)
Forfeited	(135,000)
Balance, September 30, 2024	450,000

On April 4, 2024, June 25, 2024 and September 25, 2024, the Company issued a total of 1,890,000 common shares in respect to RSUs which are fully vested. The related fair value of \$56,700 was transferred from reserve to share capital. During the six months ended September 30, 2024, the Company recognized share-based compensation expense of \$34,502 (2023 - \$nil) related to the RSU's, of which \$20,405 (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 six months ended September 30, 2024, and 2023, are as follows:

	2024	2023
	\$	\$
Consulting	78,000	78,000
Director's fees	13,000	24,000
Management fees	47,500	45,000
Share-based compensation	20,405	-
	158,905	147,000

Related party balances

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

As at September 30, 2024, the Company has a balance of \$118,400 (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.

Musk Metals Corp.

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(Expressed in Canadian dollars)

(Unaudited)

9. RELATED PARTY TRANSACTIONS (continued)

As at September 30, 2024, the Company has a balance of \$55,467 (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 September 30, 2024, the Company has recognized accrued interest of \$1,975 (March 31, 2024 - \$120) which is owing to the father of the CFO of the Company.

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

As at September 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 September 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 September 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.

(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.

Musk Metals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

(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 EVENT

On October 22, 2024, the Company amended the exercise price of an aggregate of 5,655,250 warrants with original exercise prices ranging between \$0.12 per share and \$0.20 per share to an amended exercise price of \$0.05 per share.