

**MINERAL ROAD DISCOVERY INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 and 2023**

**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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

**MINERAL ROAD DISCOVERY INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**As at**

(Unaudited - expressed in Canadian dollars)

	Note	August 31, 2024 \$	May 31, 2024 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		55,484	155,457
Restricted cash		5,233	5,106
Accounts receivable		-	117
Marketable securities	3	1,250,762	751,792
Investments	4,6	209,399	268,568
Prepaid expenses and advance		201,278	91,524
GST recoverable		19,894	28,128
Loans, notes receivable and deposits	5	-	154,341
		1,742,050	1,455,033
Loans, notes receivable and deposits	5	8,085	-
Equipment		13,683	16,903
Exploration and evaluation assets	7	1,331,866	1,067,653
Deposit	7	2,500,000	2,500,000
<b>TOTAL ASSETS</b>		<b>5,595,684</b>	<b>5,039,589</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	11	1,002,200	1,058,204
Loans payable	8	123,593	47,259
		1,125,793	1,105,463
Loan Payable	9	7,079	-
CEBA loan	9	40,000	40,000
<b>TOTAL LIABILITIES</b>		<b>1,172,872</b>	<b>1,145,463</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	10,133,701	9,319,541
Reserves		1,141,242	1,144,992
Deficit		(6,336,715)	(6,086,417)
Total equity attributable to the Company's shareholders		4,938,228	4,378,116
Non-controlling interests		(515,416)	(483,990)
<b>TOTAL EQUITY</b>		<b>4,422,812</b>	<b>3,894,126</b>
		<b>5,595,684</b>	<b>5,039,589</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 14)

SUBSEQUENT EVENT (Note 17)

Approved and authorized for issue on behalf of the Board on October 30, 2024

"Jason Cubitt"

Director

"Garry Stock"

Director

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

**MINERAL ROAD DISCOVERY INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 and 2023**  
(Unaudited - expressed in Canadian dollars)

	Note	2024 \$	2023 \$
<b>EXPENSES</b>			
Amortization		3,220	2,505
Consulting fees	11	102,647	87,000
Marketing fees		26,327	2,941
Management fees		101,437	75,000
Office and miscellaneous		42,542	25,634
Professional fees	11	31,519	28,763
Salaries		3,753	52,081
Share-based payments	10,11	-	18,305
Transfer agent and filing fees		6,326	3,393
Travel		13,290	52,422
		331,061	348,044
<b>Loss before other items</b>		<b>(331,061)</b>	<b>(348,044)</b>
<b>OTHER ITEMS</b>			
Interest income		699	5,224
Gain (loss) on foreign exchange		52,598	3,714
Realized and unrealized gain (loss) on disposals of marketable securities and investments	3,4	16,300	(953,133)
Share of loss from equity investments	6	(20,260)	(19,669)
		49,337	(963,864)
<b>NET AND COMPREHENSIVE LOSS</b>		<b>(281,724)</b>	<b>(1,311,908)</b>
<b>NET AND COMPREHENSIVE (LOSS) INCOME ATTRIBUTED TO</b>			
Shareholders of the Company		(250,298)	(1,287,874)
Non-controlling interest		(31,426)	(24,034)
		(281,724)	(1,311,908)
<b>BASIC AND DILUTED LOSS PER SHARE</b>		<b>(0.01)</b>	<b>(0.09)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		<b>21,988,589</b>	<b>14,293,256</b>

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

**MINERAL ROAD DISCOVERY INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 and 2023**  
(Unaudited - expressed in Canadian dollars)

	Common Shares			Retained Earnings (Deficit)	Non-controlling Interests	Total Equity
	Number of Shares #	Amount \$	Reserves \$			
<b>Balance, May 31, 2023<sup>1</sup></b>	<b>13,971,332</b>	<b>8,227,741</b>	<b>1,096,510</b>	<b>(3,174,896)</b>	<b>(418,101)</b>	<b>5,731,254</b>
Shares issued for cash	2,961,667	266,550	44,425	-	-	310,975
Share-based compensation	-	-	18,305	-	-	18,305
Change in non-controlling interest	-	-	-	36,116	(36,116)	-
Net and comprehensive loss for the period	-	-	-	(1,287,874)	(24,034)	(1,311,908)
<b>Balance, August 31, 2023</b>	<b>16,932,999</b>	<b>8,494,291</b>	<b>1,159,240</b>	<b>(4,426,654)</b>	<b>(478,251)</b>	<b>4,748,626</b>
Shares issued for cash	14,225,000	515,250	53,750	-	-	569,000
Share-based compensation	-	-	(62,998)	-	-	(62,998)
Warrant exercise	6,100,000	310,000	(5,000)	-	-	305,000
Change in non-controlling interest	-	-	-	96,211	66,899	163,110
Net and comprehensive loss for the period	-	-	-	(1,755,974)	(72,638)	(1,828,612)
<b>Balance, May 31, 2024<sup>2</sup></b>	<b>37,257,999</b>	<b>9,319,541</b>	<b>1,144,992</b>	<b>(6,086,417)</b>	<b>(483,990)</b>	<b>3,894,126</b>
Shares issued for cash	11,300,000	565,000	-	-	-	565,000
Share issuance costs	-	(840)	-	-	-	(840)
Warrant re-purchase	-	-	(3,750)	-	-	(3,750)
Shares issued for exploration asset	5,000,000	250,000	-	-	-	250,000
Net and comprehensive loss for the period	-	-	-	(250,298)	(31,426)	(281,724)
<b>Balance, August 31, 2024</b>	<b>53,557,999</b>	<b>10,133,701</b>	<b>1,141,242</b>	<b>(6,336,715)</b>	<b>(515,416)</b>	<b>4,422,812</b>

<sup>1</sup>On March 23, 2023, the Company completed a 3:1 share consolidation, all historical amounts have been adjusted to reflect the share consolidation.

<sup>2</sup>On October 12, 2023, the Company completed a 3:1 share consolidation, all historical amounts have been adjusted to reflect the share consolidation.

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

**MINERAL ROAD DISCOVERY INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 and 2023**  
(Unaudited - expressed in Canadian dollars)

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(281,724)	(1,311,908)
Items not involving cash		
Accrued interest	1,833	(6,618)
Amortization	3,220	2,801
Share-based payments	-	18,305
Gain on foreign exchange	1,110	(237)
Realized (gain) loss on marketable securities and investments	(244,849)	448,158
Unrealized (gain) loss on marketable securities and investments	228,549	504,974
Share of loss from equity-accounted investments	20,260	19,669
Changes in non-cash working capital balances:		
Accounts receivable	117	(18,846)
Prepaid expenses and advances	(109,754)	(40,873)
GST recoverable	8,234	(9,990)
Accounts payable and accrued liabilities	(56,004)	(78,562)
Cash used in operating activities	(429,008)	(473,127)
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(14,213)	(1,810)
Purchase of marketable securities	(563,614)	(15,471)
Proceeds from sales of marketable securities	570,113	228,580
Investment in associates	(20,260)	-
Cash provided by investing activities	(27,974)	211,299
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	565,000	310,975
Warrant repurchase	(3,750)	-
Share issuance costs	(840)	-
Loan receivable	(8,000)	-
Loan receivable repaid	4,599	-
Loan repayment	(200,000)	-
Cash provided by financing activities	357,009	310,975
<b>CHANGE IN CASH</b>	<b>(99,973)</b>	<b>49,147</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>155,457</b>	<b>10,320</b>
<b>CASH, END OF PERIOD</b>	<b>55,484</b>	<b>59,467</b>

SUPPLEMENTAL CASH FLOW INFORMATION (Note 17)

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

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Mineral Road Discovery (formerly, Crest Resources Inc.) (the “Company”) was incorporated on November 23, 2017, under the laws of British Columbia. The address of the Company’s corporate records office is Suite 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include investment in mineral property assets in Canada and Australia and the investment in mineral exploration and mining technology companies. As at August 31, 2024, the Company had not yet determined whether the Company’s mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had a net loss of \$281,724 for the three months ended August 31, 2024, and, as of August 31, 2024 the Company had an accumulated deficit of \$6,336,715 (May 31, 2024 – \$6,086,417). The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, it could impact the Company’s ability to realize assets at their recognized values and to meet its liabilities in the ordinary course of business at the amounts stated in the consolidated financial statements.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements.

**2. MATERIAL ACCOUNTING POLICIES**

**Statement of compliance**

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 condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2024.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year May 31, 2024.

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 and liabilities that are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The condensed interim financial statements were approved by the board and authorized for issue on October 30, 2024.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, income and expenses are eliminated on consolidation. The following is a list of the Company's operating subsidiaries:

<b>Name of Entity</b>	<b>Jurisdiction of incorporation</b>	<b>Ownership interest as at August 31, 2024</b>	<b>Ownership interest as at May 31, 2024</b>
Crest GP Canada Inc.	British Columbia, Canada	100%	100%
Crest Project Development Corp.	British Columbia, Canada	100%	100%
Crest SPV Limited Partnership	British Columbia, Canada	100%	100%
1251797 B.C. Ltd	British Columbia, Canada	66.7%	66.7%
AusVan Battery Metals Pty Ltd	Australia	55%	55%
Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd)	British Columbia, Canada	84%	84%

**3. MARKETABLE SECURITIES**

The Company holds common shares in various public companies. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price as at August 31, 2024 and are therefore classified as Level 1 within the fair value hierarchy.

Marketable securities for the period ended August 31, 2024 and the years ended May 31, 2024 and May 31, 2023 are as follows:



**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

	FMV Balance, May 31, 2023	Transfer from (to) Investments	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, May 31, 2024
	\$	\$	\$	\$	\$	\$	\$
<b>Common shares – Level 1</b>							
American Salars Lithium Inc.	-	-	31,886	(26,913)	(4,972)	-	-
Core Assets Corp.	6,778	-	-	(5,592)	(9,043)	7,857	-
Forty Pillars Mining Corp.	3,050	-	-	(2,695)	(25,066)	24,711	-
Generation Uranium Inc.	-	-	3,940	(2,535)	(1,405)	-	-
Golcap Resources Corp.	20,540	-	286,777	(6,403)	(723)	25,208	325,399
Harfang Exploration Inc.	-	-	53,040	(45,975)	(7,065)	-	-
Origen Resources Inc.	1,546,020	-	86,614	(447,526)	(1,326,971)	141,863	-
Newpath Resources Inc.	1,586	-	3,790	(3,517)	(3,472)	1,613	-
Playground Ventures Inc.	111,313	-	-	(34,498)	(31,202)	111,313	156,926
Proam Exploration Corp.	-	-	26,100	(24,325)	(1,775)	-	-
Rain City Resources Inc.	31,125	-	35,590	(18,715)	1,371	(31,221)	18,150
NewPeak Mining	-	-	136,020	-	-	115,297	251,317
<b>Total</b>	<b>1,720,412</b>	<b>-</b>	<b>663,757</b>	<b>(618,694)</b>	<b>(1,410,323)</b>	<b>396,641</b>	<b>751,792</b>

	FMV Balance, May 31, 2024	Transfer from (to) Investments	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, August 31, 2024
	\$	\$	\$	\$	\$	\$	\$
<b>Common shares – Level 1</b>							
Forty Pillars Mining Corp.	-	-	5,890	-	-	5,235	11,125
West Mining Corp.	-	-	32,523	(37,183)	4,660	-	-
Carbon Done Right	-	-	82,370	-	-	(28,620)	53,750
Opawica Explorations	-	-	11,788	(11,389)	(399)	-	-
Golcap Resources Corp.	325,399	-	428,878	(268,402)	(6,068)	(176,467)	357,340
Playground Ventures Inc.	156,926	-	18,360	(50)	10	(57,408)	117,837
Rain City Resources	18,150	-	277,390	(3,090)	1,647	234,398	528,495
Proam Exploration Corp.	-	-	29,810	-	-	(17,310)	12,500
NewPeak Mining	251,317	-	47,116	-	-	(129,208)	169,225
<b>Total</b>	<b>751,792</b>	<b>-</b>	<b>988,124</b>	<b>(320,113)</b>	<b>(151)</b>	<b>(169,379)</b>	<b>1,250,272</b>

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

**4. INVESTMENTS**

At August 31, 2024, the Company had privately held investments and warrants of publicly traded companies with a total fair value of \$209,399 (May 31, 2024 - \$268,568). The common shares of private companies are classified as FVTPL and are recorded at fair value using unobservable inputs and are therefore classified as level 3 within the fair value hierarchy. The Company's privately held investments at August 31, 2024 and May 31, 2024 are as follows:

	<b>August 31, 2024</b>	<b>May 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Core Asset Management Corp.	40	40
Reverend Mining Corp.	44,000	44,000
	<b>44,040</b>	<b>44,040</b>

During the year ended May 31, 2024, the Company's ownership of Reverend Mining Corp. decreased to 12% and the Company transferred the value of the investment from investment in associates to investments.

During the three months ended August 31, 2024, the Company sold 2,333,333 common shares of Ecomine Technologies Corp. for \$250,000. The shares had previously been valued at \$nil and the Company recorded a realized gain on sale of \$245,000.

The Company also holds warrants in public companies which are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as Level 2 within the fair value hierarchy. The following warrants were held at August 31, 2024 and May 31, 2024.

	<b>August 31, 2024</b>	<b>May 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Devvesg Streaming Finco Ltd. (a)	239	643
Forty Pillars Mining Corp. (b)	49	12
Golcap Resources Corp. (c)	164,753	223,393
Volatus Capital Corp. (d)	318	480
	<b>165,359</b>	<b>224,528</b>

- a) On January 14, 2022, the Company entered into a private subscription agreement to acquire 218,750 special warrants of Devvesg Streaming Finco Ltd. ("DevvESG") at \$0.80 for a cost of \$175,000. The special warrants will convert upon DevvESG's reverse-takeover IPO to a common share and one-half share-purchase warrant, each full warrant exercisable at \$1.50 for a period of 24 months from the date of the reverse-takeover IPO.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

On November 4, 2022, the special warrants of DevvESG were converted accordingly to 218,750 common shares, fair valued at \$175,000 and 109,375 warrants. At initial recognition, the fair value of the warrants was evaluated at \$44,568 using the Black-Scholes option pricing model based on the following assumptions:

	<b>Initial Measurement</b>	<b>August 31, 2024</b>	<b>May 31, 2024</b>
Share price	\$1.08	\$0.60	\$0.43
Risk free interest rate	4.22%	4.39%	4.42%
Expected life	1.43 years	0.18 years	0.43 years
Expected volatility	120%	100%	88.61%
Expected dividend	Nil	Nil	Nil

As at August 31, 2024, the warrants were fair valued at \$239 (May 31, 2024 - \$643).

- b) On October 8, 2021, the Company entered into a share subscription agreement for 450,000 Forty Pillars Mining Corp. ("Forty Pillars") shares at \$0.20. Each unit is comprised of one common share and one common share purchase warrant of Forty Pillars. Each full warrant will entitle the Company to purchase one additional common share at a price of \$0.12 for a period of 36 months from the date of the issue of the warrants. At initial recognition, the fair value of the warrants was evaluated at \$64,910 using the Black-Scholes option pricing model based on the following assumptions:

	<b>Initial Measurement</b>	<b>August 31, 2024</b>	<b>May 31, 2024</b>
Share price	\$0.10	\$0.13	\$0.05
Risk free interest rate	0.54%	4.39%	4.39%
Expected life	3.00 years	0.16 years	0.41 years
Expected volatility	108%	100%	100%
Expected dividend	Nil	Nil	Nil

As at August 31, 2024, the warrants were remeasured at a fair value of \$49 (May 31, 2024 - \$12).

- c) On July 28, 2021, the Company entered into a share subscription agreement for 2,100,000 Golcap Resources Corp. ("Golcap") shares at \$0.18. Each unit is comprised of one share and common share purchase warrant of Golcap. Each full warrant will entitle the Company to purchase one additional common share at a price of \$0.225 for a period of 60 months from the date of the issue of the warrants. At initial recognition, the fair value of the warrants was evaluated at \$290,660 using the Black-Scholes option pricing model based on the following assumptions:

	<b>Initial Measurement</b>	<b>August 31, 2024</b>	<b>May 31, 2024</b>
Share price	\$0.18	\$0.17	\$0.20
Risk free interest rate	0.54%	4.39%	4.39%
Expected life	5.00 years	1.91 years	2.16 years
Expected volatility	140.51%	100%	100%
Expected dividend	Nil	Nil	Nil

As at August 31, 2024, the warrants were remeasured at a fair value of \$164,753 (May 31, 2024 - \$223,393). During the period ended August 31, 2024, the Company acquired 2,000,000 warrants of Golcap in exchange for a \$280,000 promissory note. The Company exercised the warrants during the period.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

- d) On September 6, 2022, the Company's ownership in Volatus decreased to below 50% resulting in the Company losing control and deconsolidating the result of Volatus. Upon loss of control the Company recognized the value of the 4,975,000 warrants held of Volatus. 125,000 warrants expired on February 2, 2023. At initial recognition, the fair value of the warrants was evaluated at \$64,010 using the Black-Scholes option pricing model based on the following assumptions:

	<b>Initial Measurement</b>	<b>August 31, 2024</b>	<b>May 31, 2023</b>
Share price	\$0.015	\$0.005	\$0.005
Risk free interest rate	1.27%	4.18%	4.18%
Expected life	3.62 years	2.36 years	2.61 years
Expected volatility	100%	100%	100%
Expected dividend	Nil	Nil	Nil

As at August 31, 2024, the warrants were remeasured at a fair value of \$318 (May 31, 2024 - \$480).

**5. LOANS, NOTES RECEIVABLE AND DEPOSITS**

	<b>Orogenic Regional Exploration</b>	<b>Rain City Resources Ltd</b>	<b>Golcap Resources</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, May 31, 2023</b>	<b>533,092</b>	<b>8,000</b>	<b>-</b>	<b>541,092</b>
Addition	-	10,000	158,000	168,000
Accrued interest	-	(4,000)	(9,500)	(13,500)
Repayments	-	(14,000)	-	(14,000)
Settlement	26,329	-	5,837	32,166
Loss on settlement	(559,421)	-	-	(559,421)
<b>Balance, May 31, 2024</b>	<b>-</b>	<b>-</b>	<b>154,337</b>	<b>154,337</b>
Additions	-	-	8,000	8,000
Repayments	-	-	(154,337)	(154,337)
Accrued interest	-	--	85	85
<b>Balance, August 31, 2024</b>	<b>-</b>	<b>-</b>	<b>8,085</b>	<b>8,085</b>

On September 1, 2020, the Company completed the sale of 1,000,000 common shares of Exploits Discovery Corp. ("Exploits") to Orogenic Regional Exploration Ltd. ("Orogenic") for consideration of a promissory note of \$350,000 bearing an interest at a rate of 6% per annum, plus a 10% bonus shall be payable on demand. The shares are pledged as collateral for the promissory note. During the year ended May 31, 2022, \$164,500 was repaid. During the year ended May 31, 2023, \$4,000 was repaid and the Company accrued interest income of \$10,950 (2022 - \$18,837). During the year ended May 31, 2024, the Company wrote-off the balance of the principal and interest receivable.

On September 7, 2021, the Company entered into an agreement to loan \$236,113 to Orogenic on terms that the Loan plus accrued interest at 5.0% per annum plus a 10% bonus shall be payable on demand. During the year ended May 31, 2023, the Company accrued interest income of \$14,166 (2021 - \$32,248). During the year ended May 31, 2024, the Company wrote-off the balance of the principal and interest receivable.

On January 31, 2022, the Company entered into an agreement to loan \$20,000 to Orogenic on terms that the Loan plus accrued interest at 5.0% per annum plus a 10% bonus shall be payable on demand. During the year ended May 31, 2023, the Company accrued interest income of \$1,200 (2022 - \$2,342). During the year ended May 31, 2024, the Company wrote-off the balance of the principal and interest receivable.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

---

On January 25, 2023, the Company advanced Rain City Resources Ltd. \$8,000. The amounts advanced are non-interest bearing and due on demand. On November 27, 2023, the Company advanced an additional \$10,000 which is due on demand and non-interest bearing.

On November 23, 2023, the Company advanced Golcap Resources Corp. \$140,000, the amount is due on May 23, 2024 and bears simple interest at 7% per annum. During the year ended May 31, 2024, the Company received repayments of \$9,500.

On November 27, 2023, the Company advanced Golcap Resources Corp. \$8,000, the amount is due on May 27, 2024 and bears simple interest at 7% per annum.

On November 29, 2023, the Company advanced Golcap Resources Corp. \$10,000, the amount is due on May 29, 2024 and bears simple interest at 7% per annum.

On June 5, 2024, the Company settled the outstanding principal amounts of \$148,500 and interest of \$6,099 due from Golcap for cash payments of \$4,599 and \$150,000 was applied against a warrant exercise of Golcap warrants held by the Company.

During the three months ended August 31, 2024 the Company advanced an additional \$8,000 to Golcap and recorded interest of \$85. The loans bear interest at 5% per year and are due on or before June 18, 2026.

## **6. INVESTMENT IN ASSOCIATES**

### Volatus Capital Corp.

Volatus is a mineral resource company focused on the exploration and development of mineral property assets. As at May 31, 2022, the Company had a 51.44% equity interest in Volatus. Management determined that at May 31, 2022, the Company had control over Volatus and included the operations of Volatus in the consolidated financial statements. During the year ended May 31, 2023, the Company's interest in Volatus was reduced resulting in a loss of control.

On March 2, 2022, the Company acquired 3,050,000 units of Volatus by way of a private placement at \$0.20 per unit. Each unit consists of one common share and one common share warrant. Subsequent to this transaction the Company controlled 51.44% of the issued and outstanding common shares of Volatus. It was determined that the Company had obtained control of Volatus and accounted for the acquisition of control as an asset acquisition whereby all of the assets acquired, and liabilities assumed were assigned a carrying amount based on their relative fair values. Effective March 9, 2022, the Company included the operations of Volatus Capital Corp. in the consolidated financial statements.

On September 6, 2022, the Company's ownership in Volatus decreased to below 50% as a result of Volatus issuing shares and diluting the Company's percentage of ownership resulting in the Company losing control and deconsolidating the financial statements of Volatus. Upon loss of control the Company held a 26.47% ownership in Volatus, which was fair valued at \$557,485. The Company determined that it retained significant influence and it recorded this amount as an investment in associates.

As at May 31, 2024, the Company had a 22.89% interest in Volatus.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

The following table summarizes the change in investment in Volatus for the years ended May 31, 2024 and May 31, 2023:

	\$
<b>Balance, May 31, 2023</b>	<b>327,765</b>
Equity loss on investment	(327,765)
<b>Balance, May 31, 2024</b>	<b>-</b>
Additions	20,260
Equity loss on investment	(20,260)
<b>Balance, August 31, 2024</b>	<b>-</b>

Reverend Mining Corp. (formerly Cayenne Capital Corp.)

On March 17, 2021, the Company acquired a 25.3% equity interest in Reverend Mining Corp. ("Reverend"). Upon further review, Management determined that the Company had significant influence over Reverend and accordingly should have used the equity method to account for this investment.

On December 8, 2022, through a subsidiary, the Company received 250,000 shares of Reverend Mining Corp, fair valued at \$125,000, plus \$25,000 in cash; as a consideration for the Whymper project in BC.

During the year ended May 31, 2024, through dilution, the Company's interest in Reverend decreased to 12% and the Company reclassified the fair value of its investment from Investment in associates to Investments.

The following table summarizes the change in investment in Reverend for the periods ended August 31, 2024 and May 31, 2024:

	\$
<b>Balance, May 31, 2023</b>	<b>96,323</b>
Equity loss on investment	(37,929)
Transfer to investments	(58,394)
<b>Balance, May 31, 2024 and August 31, 2024</b>	<b>-</b>

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

**7. EXPLORATION AND EVALUATION ASSETS**

	<b>Canada</b>	<b>Australia</b>		<b>Total</b>
	<b>Atlin-Rufner</b>	<b>Allaru</b>	<b>Leigh Creek</b>	
		\$		
<b>Acquisition costs</b>				
<b>Balance, May 31, 2023 and May 31, 2024</b>	<b>60,000</b>	<b>738,488</b>	-	<b>798,488</b>
Additions	-	-	250,000	250,000
<b>Balance, August 31, 2024</b>	<b>60,000</b>	<b>738,488</b>	<b>250,000</b>	<b>1,048,488</b>
<b>Exploration expenditures</b>				
<b>Balance, May 31, 2023</b>	-	<b>536,698</b>	-	536,698
Additions:	-			
Administration and consulting	-	27,828	-	27,828
Tax credits	-	(295,361)	-	(295,361)
<b>Balance, May 31, 2024</b>	-	<b>269,165</b>	-	<b>269,165</b>
Additions				
Administration and consulting	-	699	13,514	14,213
<b>Balance, August 31, 2024</b>	-	<b>269,864</b>	<b>13,514</b>	<b>283,378</b>
<b>Total acquisition costs and exploration expenditures</b>				
May 31, 2024	<b>60,000</b>	1,007,653	-	1,067,653
<b>August 31, 2024</b>	<b>60,000</b>	<b>1,008,352</b>	<b>263,514</b>	<b>1,331,866</b>

**a) Allaru Project (formerly known as Arizona Project) (Queensland, Australia)**

On March 9, 2020, the Company entered into an assignment agreement with Aeternum Holdings Ltd. ('Aeternum'), a related party by reason of a former common director. Aeternum was assigned a non-binding term sheet with Vecco Industrial Pty Ltd ("Vecco"), the owner of Arizona Queensland Vanadium Shale Project (the "Allaru Project") to acquire the Allaru Project. Pursuant to the assignment agreement, Aeternum assigned and transferred to the Company all of its rights, title and interest in the term sheet and the Allaru Project to the Company for consideration of \$450,000, which is included in accounts payable and accrued liabilities as at May 31, 2021. The Allaru Project is a resource-stage Vanadium and High Purity Alumina ("HPA") deposit located in central Queensland, Australia.

On April 20, 2020, AusVan Battery Metals Pty Ltd ("AusVan"), the Company's Australian subsidiary, entered into a sales and purchase agreement with Vecco to acquire a 100% interest in the Allaru Project for the following consideration:

- a. \$37,091 (AUD \$32,000) as reimbursement for EMP rents;
- b. \$50,000 cash (paid);
- c. \$100,000 cash (paid);
- d. \$380,000 cash (paid);
- e. share consideration equal to 40% of AusVan's issued capital on a fully diluted basis (issued); and
- f. Minimum exploration expenditures of \$500,000 within 12 months of the Completion Date (completed) and another \$500,000 within 24 months of the Completion Date (completed).

Ausvan has fulfilled its obligations as they relate to the Allaru Project.

**b) Atlin-Rufner (British Columbia)**

The Company owns 66.7% of 1251797 BC Ltd, which owns 100% of 28 claims covering the historic Atlin-Rufner mine. The mine is about 23 kilometres northeast of Atlin. The occurrence has been an intermittent producer of silver and lead from 1916 to 1981, being operated by numerous companies.

Historic and unclassified reserves from the two zones from which underground development and

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

production has taken place are reported to be 113,638 tonnes grading 600 grams per tonne silver and 5.0 per cent lead.

The reserves noted here are historic in nature and 1251767 BC Ltd has not done sufficient work to verify that an NI 43-101 resource exists on the property. This historic reserve should not be relied upon.

**c) Leigh Creek**

During the year ended May 31, 2022, the Company acquired a 20% interest in the Leigh Creek Project through its acquisition of Volatus. On September 6, 2022, the Company's ownership in Volatus decreased to below 50% as a result of Volatus issuing shares and diluting the Company's percentage of ownership resulting in the Company losing control and deconsolidating the result of Volatus resulting in the Company eliminating its investment in Leigh Creek through Volatus.

On June 1, 2022, the Company entered into a letter of intent to acquire a 69.5% interest in WitchiMag Pty Ltd. which owns a 100% interest in the Mount Hutton magnesite property; and an 80% interest in MagMetal Tech Pty, which owns a 100% interest in the Leigh Creek magnesite property (together referred to as the "The Leigh Creek Project"). The Company made an initial payment of \$1,000,000 pursuant to the letter of intent.

The balance of \$2,500,000 paid to 1323398 BC Ltd. is recorded as a deposit.

On May 24, 2024, the Company finalized the terms of the acquisition of the Leigh Creek Project. The Company will acquire a 100% ownership through the issuances of 500,000 common shares to Volatus, which owns 20% of one of the exploration licenses, and an additional 4,500,000 common shares to the shareholders of WitchiMag Pty Ltd. WitchiMag Pty Ltd., is an Australian private company which owns 100% of exploration license 6019 and 80% of exploration license 6573 in the state of South Australia. During the three months ended August 31, 2024, the Company issued 5,000,000 shares, fair valued at \$250,000 to complete the acquisition of the Leigh Creek Project.

The Company is in ongoing discussions with 1323398 B.C. Ltd., which includes discussions regarding applying all or part of the deposit toward 1323398 B.C. Ltd.'s participation in the Leigh Creek Project and other potential ventures.

**8. LOANS PAYABLE**

Loans payable is comprised of the following as at August 31, 2024 and May 31, 2024:

	<b>August 31, 2024</b>	<b>May 31, 2024</b>
	<b>\$</b>	<b>\$</b>
ACVC	41,639	41,259
Note Payable	82,224	-
	<b>123,593</b>	<b>41,259</b>

On June 4, 2024, the Company purchased 2,000,000 warrants of Golcap, from a company controlled by a director, in exchange for a promissory note of \$280,000, the note is due on June 5, 2025 and bears interest at 5%. The Company repaid 200,000 of the promissory note during the period and at August 31, 2024, \$2,224 of interest was accrued.

**9. LONG TERM LOANS**

On April 23, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of \$40,000. The CEBA is a government guaranteed loan of up to \$40,000 that was interest-free until December 31, 2023. The loan was available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount (\$10,000) was eligible for forgiveness contingent on the business repaying \$30,000 on or before January 18, 2024. The Company did



**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

---

not repay the CEBA loan the loan was converted into a 3-year term loan at an interest rate of 5%. As at August 31, 2024 the principal balance owing on the loan was \$40,000 (May 31, 2024 - \$40,000).

On July 4, 2024, the Company entered into a loan agreement and received \$7,000 bearing interest at 7% per year maturing on July 4, 2026. During the period the Company recorded interest of \$79.

## **10. SHARE CAPITAL**

### **a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

### **b) Issued and Outstanding as at August 31, 2024: 53,557,999 (May 31, 2024 – 37,257,999) common shares**

During the three months ended August 31, 2024:

- On August 12, 2024, the Company closed a non-brokered private placement issuing 8,400,000 common shares at a price of \$0.05 per share for gross proceeds of \$240,000.
- On August 15, 2024, the Company closed a non-brokered private placement issuing 2,900,000 common shares at a price of \$0.05 per share for gross proceeds of \$145,000.

During the year ended May 31, 2024:

- On August 22, 2023, the Company completed a private placement of 2,961,667 units at a price of \$0.105 per unit for gross proceeds of \$310,975. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.15 for a term of five years expiring August 23, 2028. The warrants were valued at \$44,425 using the residual value method.
- On November 30, 2023, the Company completed a private placement of 5,375,000 units at a price of \$0.04 per unit for gross proceeds of \$215,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.05 for a term of five years expiring November 28, 2028. The warrants were valued at \$53,750 using the residual value method.
- On January 10, 2024, the Company completed a private placement issuing 850,000 units at \$0.04 per unit for gross proceeds of \$34,000. The units consist of one common share and one share purchase warrant. Each warrant is exercisable at \$0.05 for a period of 5 years. The warrants were valued at \$nil using the residual value method.
- On January 31, 2024, the Company completed a private placement issuing 6,100,000 units at \$0.04 per unit for gross proceeds of \$244,000. The unit consists of one common share and one share purchase warrant. Each warrant is exercisable at \$0.05 for a period of 5 years. The warrants were valued at \$nil using the residual value method.
- On March 6, 2024, the Company completed a private placement issuing 1,900,000 units at \$0.04 per unit for gross proceeds of \$76,000. The units consist of one common share and one share purchase warrant. Each warrant is exercisable at \$0.05 for a period of 5 years.
- During the year ended May 31, 2024, the Company issued 6,100,000 common shares pursuant to the exercise of warrants for gross proceeds of \$105,000 and marketable securities valued at \$200,000.
- On October 12, 2023, the Company consolidated its common shares on a 3:1 basis, all historical amounts have been adjusted to reflect the share consolidation.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

c) **Stock Options**

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company's stock options at August 31, 2024 and May 31, 2024 and the changes for the periods then ended is presented below:

	Number of Share Options	Weighted Average Exercise Price
		\$
<b>Balance, May 31, 2023</b>	<b>955,553</b>	0.54
Cancelled/expired	(955,553)	0.54
<b>Balance, May 31, 2024 and August 31, 2024</b>	<b>-</b>	<b>-</b>

During the year ended May 31, 2024, the Company cancelled all outstanding stock options and recorded a share-based payments credit of \$99,750 relating to share-based payments expense recorded on unvested options at the time of cancellation.

d) **Warrants**

A summary of the Company's share purchase warrants as at August 31, 2024 and May 31, 2024 and the changes for the periods then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price
		\$
<b>Balance, May 31, 2023</b>	<b>5,967,222</b>	0.62
Issued	17,186,667	0.06
Exercised	(6,100,000)	0.05
Forfeited	(9,572,776)	0.39
<b>Balance, May 31, 2024</b>	<b>7,481,113</b>	0.09
Expired	(22,223)	0.675
Repurchased	(375,000)	0.05
<b>Balance, August 31, 2024</b>	<b>7,083,890</b>	0.09

On January 10, 2024, 3,750,000 warrants issued as part of the private placement completed on November 30, 2023, were cancelled by the subscriber.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

As at August 31, 2024, the Company had outstanding and exercisable warrants as follows:

<b>Expiry Date</b>	<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Weighted Average</b>
		<b>\$</b>	<b>Period</b>
			<b>(years)</b>
March 9, 2025	66,667	0.90	0.52
January 19, 2028	55,557	0.45	3.39
August 22, 2028	2,961,667	0.15	3.98
November 30, 2028	750,000	0.05	4.25
January 10, 2029	450,000	0.05	4.36
January 31, 2029	1,100,000	0.05	4.42
March 6, 2029	1,700,000	0.05	4.52
	7,083,890	0.09	4.19

## 11. RELATED PARTY TRANSACTIONS AND BALANCE

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer ("CEO") and chief financial officer ("CFO") of the Company. Key management personnel compensation during the three months ended August 31, 2024 and 2023 was comprised of the following:

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Consulting fees <sup>1</sup>	55,500	78,000
Management fees	90,000	75,000
Professional fees <sup>2</sup>	13,125	-
Share-based payments (recovery)	-	3,635
	158,625	156,635

<sup>1</sup> Includes amounts paid to the interim CFO, CEO and Directors of the Company

<sup>2</sup> Includes amounts paid to a company with which the CFO is a managing director.

As at August 31, 2024, the Company had \$365,231 (May 31, 2024 - \$329,141) in accounts payable owing to current and former directors and officers of the Company; including \$5,864 to cover reimbursable expenses to related parties. The amounts included in accounts payable are non-interest bearing and due on demand.

As at August 31, 2024, the Company had \$82,224 in notes payable to a Company controlled by a director of the Company.

As at August 31, 2024, the Company had \$2,500,000 (2024 - \$2,500,000) in deposits from a related party (Note 8).

## 12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

**13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

Fair Values and Classification of Financial Instruments

The Company's financial instruments consist of cash, restricted cash, marketable securities, accounts receivable, Investments, loans and notes receivable, accounts payable, and loans payable and CEBA loan. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

<b>Financial Instrument</b>	<b>Category</b>	<b>August 31, 2024</b>	<b>May 31, 2024</b>
		<b>\$</b>	<b>\$</b>
Cash	FVTPL	55,484	155,457
Restricted cash	FVTPL	5,233	5,106
Marketable securities	FVTPL	1,250,762	751,792
Investments	FVTPL	209,399	268,568
Accounts receivable	Amortized cost	-	117
Loans and notes receivable	Amortized cost	8,085	154,341
Accounts payable	Amortized cost	1,002,200	1,058,204
Loans payable and CEBA loan	Amortized cost	170,672	87,259

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Marketable securities are measured at fair value on a recurring basis using level 1 inputs. Investments in warrants are measured on a recurring basis using level 2 inputs. Private investments are measured on the hierarchy at level 3 using unobservable inputs. The continuity and valuation techniques that are used to determine the fair value of the investments in warrants are described in Note 5.

The fair value of the Company's cash, restricted cash, accounts receivable, loans and notes receivable, accounts payable, loans payable and CEBA loan payable approximates their carrying value as at August 31, 2024 and May 31, 2024 because of the demand nature or short-term maturity.

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

*Currency risk*

The majority of Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

---

The Company does not have any significant foreign-currency-denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

*Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

*Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution. As at August 31, 2024, the Company's maximum credit risk is the carrying value of cash, accounts receivable and loans and notes receivable.

*Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Factors that could impact the Company's liquidity are monitored regularly and include market changes, gold price changes, and economic downturns that affect the market price of the Company's marketable securities for the purposes of raising financing.

The current state of equity markets presents a challenge to raise financing and management believes that this condition will continue over the next twelve months.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The COVID-19 pandemic, Russia's actions in the Ukraine and related economic consequences are extenuating impacts on the current volatility of financial markets. Market conditions will cause fluctuations in the fair value of the Company's marketable securities. The Company's ability to raise capital to fund exploration, development or investing activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### **14. COMMITMENTS**

The Company is committed to certain cash payments, share issuances, management agreements and exploration expenditures in connection with the acquisition of its mineral property claims as described in Note 9.

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

**15. SUPPLEMENTAL CASH FLOW INFORMATION**

During the three months ended August 31, 2024 and August 31, 2023, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	2024	2023
	\$	\$
Shares issued to acquire exploration asset	250,000	-
Marketable securities disposed to settle accounts payable	-	45,000
Marketable securities received pursuant to loan repayment	150,000	-
Warrants acquired for promissory note	280,000	-

There were no amounts of cash paid for income taxes for the periods presented.

**16. SEGMENTED INFORMATION**

The Company operates in one business segment, acquisition and exploration of mineral property assets and three geographical segments, Australia and Canada during the period ended August 31, 2024.

As at August 31, 2024 and May 31, 2024 and for the periods ended August 31, 2024 and 2023, the Company's assets, liabilities and net loss by geographical segment were as follows:

	August 31, 2024	August 31, 2023
	\$	\$
<b>Net income (loss)</b>		
Canada	205,075	1,253,290
Australia	76,649	58,618
<b>Total</b>	<b>281,724</b>	<b>1,311,908</b>

	As at	
	August 31, 2024	May 31, 2024
	\$	\$
<b>Assets</b>		
Canada	4,264,579	4,005,744
Australia	1,331,105	1,033,845
<b>Total</b>	<b>5,595,684</b>	<b>5,039,589</b>
<b>Liabilities</b>		
Canada	1,014,542	876,044
Australia	158,330	269,419
<b>Total</b>	<b>1,145,463</b>	<b>1,145,463</b>

**MINERAL ROAD DISCOVERY INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED AUGUST 31, 2024 AND 2023**  
(Unaudited - expressed in Canadian dollars)

---

**17. SUBSEQUENT EVENT**

- On September 3, 2024, the Company issued 14,400,000 common shares to 1459988 BC Ltd. in exchange for 8,000,000 common shares of Rain City Resources.
- On September 3, 2024, the Company issued 500,000 common shares for proceeds of \$25,000 pursuant to a warrant exercise.
- On September 9, 2024, the Company closed a non-brokered private placement issuing 150,000 common shares at a price of \$0.05 for gross proceeds of \$7,500.
- On October 1, 2024, the Company issued 150,000 common shares for proceeds of \$7,500 pursuant to a warrant exercise.
- On October 8, 2024, the Company issued 3,133,333 common shares at \$0.075 per share for gross proceeds of \$235,000.