NINE MILE METALS LTD.

Condensed Interim Financial Statements

Nine Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

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.

NINE MILE METALS LTD.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2024 $ (unaudited)	September 30, 2023 $
ASSETS		
Current assets		
Cash	806,745	446,001
Amounts receivable	30,806	72,802
Prepaid expenses	32,996	55,322
Total current assets	870,547	574,125
Non-current assets		
Exploration and evaluation assets (Note 3)	4,603,198	4,374,680
Total assets	5,473,745	4,948,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	126,720	154,739
Due to related parties (Note 4)	49,460	15,738
Convertible loans (Note 5)	180,403	–
Flow-through share premium liability (Note 6)	71,634	–
Total liabilities	428,217	170,477
Shareholders' equity		
Share capital (Note 7)	16,911,114	15,629,378
Equity reserve (Note 5, 7 and 9)	1,779,512	1,215,264
Deficit	(13,645,098)	(12,066,314)
Total shareholders' equity	5,045,528	4,778,328
Total liabilities and shareholders' equity	5,473,745	4,948,805

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 14)

Approved and authorized for issuance on behalf of the Board of Directors on August 29, 2024:

/s/ "Patrick Cruickshank"
Patrick Cruickshank, Director

/s/ "James Bordian"
James Bordian, Director

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

NINE MILE METALS LTD.
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30, 2024 $	Three months ended June 30, 2023 $	Nine months ended June 30, 2024 $	Nine months ended June 30, 2023 $
Expenses				
Consulting fees (Note 4)	22,500	156,787	67,500	394,491
Insurance	10,298	–	25,626	–
Management fees (Note 4)	57,000	55,000	171,000	165,000
Mineral exploration costs (Note 3 and 4)	224,651	268,949	907,699	1,127,902
Office and miscellaneous	12,891	26,280	30,929	81,956
Professional fees	25,997	40,703	97,821	103,102
Rent (Note 4)	10,686	9,563	32,025	29,627
Share-based compensation (recovery) (Note 9)	113,982	(3,101)	113,982	15,716
Shareholder communications	38,960	–	91,125	–
Transfer agent and filing fees	12,559	13,383	49,833	45,663
Wages and benefits	2,671	4,087	10,702	13,439
Total expenses	532,195	571,651	1,598,242	1,976,896
Net loss before other income (expenses)	(532,195)	(571,651)	(1,598,242)	(1,976,896)
Other income (expense)				
Accretion of discount on convertible loans (Note 5)	(8,974)	–	(17,941)	–
Flow-through penalties (Note 6)	6,028	–	(12,056)	–
Interest expense	(7,496)	–	(16,393)	–
Interest income	7,084	7,883	16,138	16,280
Settlement of flow-through share liability (Note 6)	16,122	–	49,710	–
Loss on settlement of debt	–	(10,517)	–	(10,517)
Total other income (expense)	12,764	(2,634)	19,458	5,763
Net loss and comprehensive loss for the period	(519,431)	(574,285)	(1,578,784)	(1,971,133)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.02)	(0.03)
Weighted average shares outstanding	77,745,256	58,999,178	70,968,438	56,640,776

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

NINE MILE METALS LTD.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Equity		Total
	Number of shares	Amount $	reserve $	Deficit $	shareholders' equity $
Balance, September 30, 2022	52,982,354	13,753,731	843,106	(9,370,703)	5,226,134
Units issued for cash	8,625,342	1,819,680	–	–	1,819,680
Share issuance costs	–	(162,597)	50,696	–	(111,901)
Shares issued upon exercise of finder's warrants	70,680	49,165	(15,945)	–	33,220
Shares issued for acquisition of exploration and evaluation assets	232,143	59,196	–	–	59,196
Shares issued for exploration and evaluation asset option payment	433,334	117,334	–	–	117,334
Shares issued for debt settlement	649,534	118,169	–	–	118,169
Share-based compensation	–	–	15,716	–	15,716
Net loss for the period	–	–	–	(1,971,133)	(1,971,133)
Balance, June 30, 2023	62,993,387	15,754,678	893,573	(11,341,836)	5,306,415
Balance, September 30, 2023	63,843,387	15,629,378	1,215,264	(12,066,314)	4,778,328
Units issued for cash	13,221,544	1,434,776	359,338	–	1,794,114
Share issuance costs	–	(191,695)	51,496	–	(140,199)
Shares and units issued for exploration and evaluation asset option payments	1,933,334	159,999	18,519	–	178,518
Flow-through share premium liability	–	(121,344)	–	–	(121,344)
Equity component of convertible loans	–	–	7,064	–	7,064
Fair value of finder's warrants issued for debt issuance costs	–	–	13,849	–	13,849
Share-based compensation	–	–	113,982	–	113,982
Net loss for the period	–	–	–	(1,578,784)	(1,578,784)
Balance, June 30, 2024	78,998,265	16,911,114	1,779,512	(13,645,098)	5,045,528

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

NINE MILE METALS LTD.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended June 30, 2024 $	Nine months ended June 30, 2023 $
Operating activities		
Net loss for the period	(1,578,784)	(1,971,133)
Items not involving cash:		
Accretion of discount on convertible loans	17,941	–
Settlement of flow-through share premium liability	(49,710)	–
Share-based compensation	113,982	15,716
Loss on debt settlement	–	10,517
Changes in non-cash operating working capital:		
Amounts receivable	41,996	34,331
Prepaid expenses	22,326	22,831
Accounts payable and accrued liabilities	(28,019)	170,854
Due to related parties	33,722	4,049
Net cash used in operating activities	(1,426,546)	(1,712,835)
Investing activities		
Acquisition of exploration and evaluation assets	(50,000)	(80,000)
Net cash used in investing activities	(50,000)	(80,000)
Financing activities		
Proceeds from exercise of finder's warrants	–	33,220
Proceeds from issuance of units	1,794,114	1,819,680
Share issuance costs	(140,199)	(111,901)
Proceeds from convertible loans	201,000	–
Debt issuance costs	(17,625)	–
Net cash provided by financing activities	1,837,290	1,740,999
Change in cash	360,744	(51,836)
Cash, beginning of period	446,001	1,073,662
Cash, end of period	806,745	1,021,826
Non-cash investing and financing activities:		
Equity component of convertible loans	7,064	–
Fair value of finder's warrants for share issuance costs	51,496	50,696
Fair value of finder's warrants for debt issuance costs	13,849	–
Fair value of finder's warrants reclassified upon exercise	–	15,945
Flow-through share premium liability	121,344	–
Share issued for acquisition of exploration and evaluation assets	–	59,196
Shares and units issued for exploration and evaluation asset option payments	178,518	117,334
Shares issued for debt settlement	–	118,169

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

1. Nature of Operations and Continuance of Business

Nine Mile Metals Ltd. (the "Company") was incorporated under the Business Corporations Act in British Columbia on June 8, 2018 as 1167609 B.C. Ltd. On November 19, 2018, the Company changed its name to Stevens Gold Nevada Inc. On April 12, 2021, the Company filed a Certificate of Amalgamation, whereby the Company and its wholly-owned subsidiaries, Lynx Gold Mining Corp., and Lynx Gold Corp. were amalgamated as one company under the name Stevens Gold Nevada Inc. On January 18, 2022, the Company changed its name to Nine Mile Metals Ltd. On June 14, 2022, the Company dissolved its wholly-owned subsidiary, Lynx Gold Exploration Corp. The principal business of the Company is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's shares are listed on the Canadian Securities Exchange under the symbol "NINE" and are trading on the OTCQB Venture Market under the stock symbol "VMSXF". The Company's registered office is located at 1500 – 800 West Pender Street, Vancouver, BC.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the nine months ended June 30, 2024, the Company had no revenues and incurred negative cash flow from operations of $1,426,546. At June 30, 2024, the Company had an accumulated deficit of $13,645,098. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material Accounting Policy Information

(a) Basis of Presentation

These condensed interim 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*". These condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty in estimates made by management at the condensed interim statement of financial position date 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:

(i) The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect fair value estimates and the Company's net loss and its equity reserves.

2. Material Accounting Policy Information (continued)

(b) Use of Estimates and Judgments (continued)

Critical judgments exercised by management in applying accounting policies that have the most significant effect on the amounts presented in these condensed interim financial statements are as follows:

(i) Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(ii) The application of the Company's accounting policy exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

(c) Reclassifications

Certain of the prior year figures have been reclassified to conform to the current period's presentation.

(d) Recent Accounting Pronouncements

The following new standards and amendments to existing standards have been issued by the IASB and are effective for the period ended June 30, 2024:

Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements

The IASB has issued amendments titled *Disclosure of Accounting Policies* to IAS 1 and IFRS Practice Statement 2, effective from January 1, 2023. These changes guide entities to prioritize the disclosure of "material" over "significant" accounting policies. The amendments provide clarity on identifying material policies, emphasizing that information can be material due to its inherent nature, even if related amounts are immaterial. Additionally, IFRS Practice Statement 2 has been enhanced to support these changes. The adoption of these amendments resulted in certain changes to the Company's accounting policy disclosures. The Company's material accounting policies are disclosed in Note 2 – Material Accounting Policy Information.

Amendments to IAS 8, Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and accounting estimates that occur on or after the start of that period. The adoption of these amendments had no material impact on the financial statements.

(Expressed in Canadian Dollars)

2. Material Accounting Policy Information (continued)

(d) Recent Accounting Pronouncements (continued)

Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 to clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations by removing the initial recognition exemption for transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2023. The adoption of these amendments had no material impact on the financial statements.

Certain pronouncements have been issued by the IASB that are mandatory for annual accounting periods beginning on or after January 1, 2024:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

(ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases).

None of these pronouncements are expected to have a material impact on the Company's financial statements upon adoption.

3. Exploration and Evaluation Assets

Acquisition costs:

	Canoe Landing Lake West Project $	Canoe Landing Lake East Project $	Nine Mile Brook Project $	West Nine Mile Brook Project $	California Lake Project $	Wedge Project $	Total $
Balance, September 30, 2023	979,600	85,417	3,052,800	59,196	158,667	39,000	4,374,680
Additions	–	59,333	50,000	–	59,333	59,852	228,518
Balance, June 30, 2024	979,600	144,750	3,102,800	59,196	218,000	98,852	4,603,198

Mineral exploration costs:

Nine months ended June 30, 2024:

	Canoe Landing Lake West Project $	Canoe Landing Lake East Project $	Nine Mile Brook Project $	California Lake Project $	Wedge Project $	Total $
Assays	–	–	1,225	–	122,586	123,811
Drilling	–	–	4,983	171,554	304,392	480,929
Consulting fee	–	–	–	–	18,769	18,769
Camp supplies	–	–	17,540	23,321	23,399	64,260
Geological and geophysics	–	–	23,480	27,093	136,707	187,280
Filing fees	240	120	2,560	760	4,140	7,820
Rentals	–	–	5,480	11,132	38,218	54,830
Government grant	–	–	–	(30,000)	–	(30,000)
	240	120	55,268	203,860	648,211	907,699

3. Exploration and Evaluation Assets (continued)

(a) On November 28, 2021, the Company entered into a mineral property purchase and sale agreement with Fiddlehead Mining Corp. ("Fiddlehead") to acquire 100% of the rights, title, and interest in the Canoe Landing Lake West Project (the "Canoe Project") and 50% of the rights, title, and interest in the Nine Mile Brook Project (the "Nine Mile Project"), each located in New Brunswick, Canada. Under the terms of the Agreement, the Company was required to pay $25,000 in cash (paid) and issue 21,000,000 common shares (issued).

In addition, under the terms of the agreement, the Company also acquired a mineral property option to acquire the remaining 50% of the rights, title, and interest in the Nine Mile Project and is required to make the following payments:

- $25,000 upon signing the agreement ("Option Fee") (paid);
- $50,000 upon each anniversary of the agreement ("Annual Option Fee"); and
- An additional payment of $3,000,000 less the Option Fee and all Annual Option Fees paid.

The Company is also required to incur an aggregate of $1,000,000 of expenditures on the Nine Mile Project, including at least $500,000 of expenditures on or before 12 months following the effective date of the agreement and a minimum of $150,000 per year of expenditures after the first 12 months. Fiddlehead retains a 3% Net Smelter Return Royalty ("NSR") on the properties.

In connection with the agreement, the Company also issued 630,000 common shares with a fair value of $113,400 as a finder's fee. The finder's fee was considered a transaction-related cost, and the Company recognized the fair value of the 630,000 common shares as part of the acquisition costs of the exploration and evaluation assets.

(b) On March 1, 2022, the Company entered into a property purchase agreement with two individuals (the "Vendors") to acquire 100% of the rights, title, and interest in 35 claim units around the Nine Mile Brook Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to pay $15,000 in cash (paid) and issue 75,000 common shares (issued).

The vendors retain a 1% NSR on the property, which the Company has the right to purchase for $1,000,000 at any time prior to commencement of commercial production.

(c) On April 25, 2022, the Company entered into a mineral property option agreement to acquire 100% of the rights, title, and interest in 12 mineral claims: California Lake (6 claims), Canoe Landing Lake East (4 claims); and Nine Mile Brook area (2 claims) of the Bathurst Mining Camp, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay $100,000 and issue 1,500,000 common shares during a period of up to three years as follows:

- $20,000 and 500,000 common shares upon signing the agreement (paid and issued);
- $20,000 and 333,334 common shares on or before April 25, 2023 (paid and issued);
- $30,000 and 333,333 common shares on or before April 25, 2024 (cash payment converted to common shares and issued – Note 7); and
- $30,000 and 333,333 common shares on or before April 25, 2025 (cash payment converted to common shares and issued – Note 7).

On May 2, 2024, the Company exercised its option early and now holds a 100% of the rights, title and interest in the mineral claims. The optionor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 at any time.

(d) On January 11, 2023, the Company entered into a property purchase agreement to acquire 100% of the rights, title, and interest in the West Nine Mile Brook Project consisting of 29 claim units, located in New Brunswick, Canada. Under the terms of the agreement, the Company is required to issue 232,143 common shares (issued). The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $500,000 at any time.

3. Exploration and Evaluation Assets (continued)

(e) On February 9, 2023, as amended on February 9, 2024, the Company entered into a mineral property option agreement to acquire 100% of the rights, title, and interest in the Wedge Project consisting of 114 claim units, located in New Brunswick, Canada. To exercise its option to acquire the mineral claims, the Company must pay $150,000 and issue 1,200,000 common shares during a period of up to four years as follows:

- $10,000 and 100,000 common shares upon signing the agreement (paid and issued);
- 200,000 common shares on or before February 9, 2024 (issued – Note 7) and the equivalent of $20,000 of units of the Company upon the completion of the next financing, in which each unit will consist of one common share and one share purchase warrant exercisable at $0.10 per share for a period of 2 years (issued – Note 7);
- $30,000 and 200,000 common shares on or before February 9, 2025;
- $40,000 and 300,000 common shares on or before February 9. 2026; and
- $50,000 and 400,000 common shares on or before February 9. 2027.

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 at any time.

(f) On August 31, 2023, the Company entered into an asset purchase agreement to acquire 100% of the rights, title, and interest in 49 claim units around the Nine Mile Brook Project and California Lake Project, located in New Brunswick, Canada. Under the terms of the Agreement, the Company is required to issue 300,000 common shares (issued).

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 prior to commencement of commercial production.

(g) On September 14, 2023, the Company entered into an asset purchase agreement to acquire 100% of the rights, title, and interest in 23 claim units around the California Lake Project, located in New Brunswick, Canada. Under the terms of the agreement, the Company is required to issue 550,000 common shares (issued).

The vendor retains a 2% NSR on the property. The Company has the right to purchase half of the NSR for $1,000,000 prior to commencement of commercial production.

4. Related Party Transactions

(a) During the nine months ended June 30, 2024, the Company incurred management fees of $67,500 (2023 – $67,500) to the President and former Chief Executive Officer (“CEO”) of the Company. As at June 30, 2024, the Company owed the President $16,500 (September 30, 2023 – $nil) which is unsecured, non-interest bearing, and due on demand.

(b) During the nine months ended June 30, 2024, the Company incurred management fees of $76,500 (2023 – $76,500), and mineral exploration costs of $13,500 (2023 – $nil) to a company controlled by the CEO of the Company. As at June 30, 2024, the Company owed the CEO of the Company $3,655 (September 30, 2023 – $1,332) which is unsecured, non-interest bearing, and due on demand.

(c) During the nine months ended June 30, 2024, the Company incurred management fees of $9,000 (2023 – $9,000) to the Chief Financial Officer (“CFO”) of the Company.

(d) During the nine months ended June 30, 2024, the Company incurred management fees of $18,000 (2023 – $12,000) to three directors of the Company. As at June 30, 2024, the Company owed the directors a total of $6,000 (September 30, 2023 – $4,000) which is unsecured, non-interest bearing, and due on demand.

4. Related Party Transactions (continued)

(e) During the nine months ended June 30, 2024, the Company incurred mineral exploration costs of $72,000 (2023 – $72,000) to companies controlled by a director of the Company. As at June 30, 2024, the Company owed the director $3,450 (September 30, 2023 – $3,762) which is unsecured, non-interest bearing, and due on demand.

(f) During the nine months ended June 30, 2024, the Company incurred an aggregate of $nil (2023 – $9,100) in mineral exploration costs and $50,000 (2023 – $nil) as mineral property option payments to a company controlled by directors of the Company.

(g) During the nine months ended June 30, 2024, the Company incurred mineral exploration costs of $72,235 (2023 – $58,143) to a company controlled by the sons of the CEO of the Company. As at June 30, 2024, the Company owed $4,658 (September 30, 2023 – $4,226) to a company controlled by the sons of the CEO of the Company which is unsecured, non-interest bearing, and due on demand.

(h) During the nine months ended June 30, 2024, the Company incurred consulting fees of $63,000 (2023 – $63,000) to a company controlled by the son of the CFO of the Company. As at June 30, 2024, the Company owed $15,197 (September 30, 2023 – $2,418) to the son of the CFO of the Company which is unsecured, non-interest bearing, and due on demand.

(i) During the nine months ended June 30, 2024, the Company incurred rent of $nil (2023 – $10,500) to a company with common officers and directors.

5. Convertible Loans

On December 14, 2023, the Company issued convertible loans for total proceeds of $201,000. The convertible loans bear interest at a rate of 15% per annum and are repayable on December 14, 2024 (“Maturity”). At the election of the lenders, the principal and interest amount of the loans is convertible into units at $0.10 per unit at the Maturity date. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share for a period of 2 years from the date of conversion. In connection with the issuance of the convertible loans, the Company incurred issuance costs of $17,625 and issued 104,000 finder’s warrants with a fair value of $13,849, which are exercisable at $0.10 per common share until December 14, 2025.

The present value of the liability component of the convertible loans at issuance was $192,625, using a discount rate of 20%, which is the estimated interest rate the Company would pay on a similar debt instrument without a conversion option or warrants. The residual value of $8,375 was allocated to the equity component.

Transaction costs were allocated between the liability and equity components on a relative fair value basis, resulting in $30,163 of transaction costs being allocated to the liability component and $1,311 being allocated to the equity component.

The discount on the convertible loans totaling $38,538 will be amortized over the term of the convertible loans using the effective interest rate method.

During the nine months ended June 30, 2024, the Company recorded accretion expense of $17,941. As at June 30, 2024, the carrying value of the convertible loans is $180,403 and the Company has recognized accrued interest of $16,393, which is included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

6. Flow-through Share Premium Liability

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	$
Balance, September 30, 2023	–
Liability incurred on flow-through shares issued	121,344
Settlement of flow-though share liability on incurring expenditures	(49,710)
Balance, June 30, 2024	71,634

During the nine months ended June 30, 2024, the Company incurred Part XII.6 tax of $12,056 on unspent flow through expenditures.

7. Share Capital

Authorized: Unlimited number of common shares without par value.

Share transactions during the nine months ended June 30, 2024:

(a) On December 19, 2023, the Company issued 5,625,000 flow-through units at $0.20 per unit for gross proceeds of $1,125,000. Each unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.23 per common share expiring on December 19, 2025. In connection with the private placement, the Company incurred finder's fees of $84,000, share issuance costs of $5,619 and issued 420,000 finder's warrants with a fair value of $34,711. Each finder's warrant is exercisable at $0.23 per common share expiring on December 19, 2025. A value of $256,381 and $81,118 was attributed to the share purchase warrants and flow-through share premium liability, respectively, in connection with the financing.

(b) On February 9, 2024, the Company issued 200,000 common shares with a fair value of $13,000 pursuant to a mineral property option agreement to acquire 100% of the rights, title, and interest in the Wedge Project (Note 3(e)).

(c) On March 1, 2024, the Company issued 2,920,634 units at $0.06 per unit for gross proceeds of $175,237. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share expiring on March 1, 2026. In connection with the private placement, the Company incurred finder's fee of $2,400, share issuance costs of $4,390 and issued 40,000 finder's warrants with a fair value of $2,222. Each finder's warrant is exercisable at $0.10 per common share expiring on March 1, 2026. A value of $nil was attributed to the share purchase warrants in connection with the financing.

(d) On March 1, 2024, the Company issued 333,334 with a fair value of $46,852, of which $28,333 was attributable to the common shares and $18,519 was attributable to the share purchase warrants, in consideration for an option payment of $20,000 originally due on February 9, 2024 pursuant to a mineral property option agreement to acquire 100% of the rights, title, and interest in the Wedge Project (Note 3(e)). Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share for expiring on March 1, 2026.

(e) On April 17, 2024, the Company issued 4,090,910 flow-through ("FT") units at $0.11 per FT unit and 585,000 of non-flow-through ("NFT") units at $0.075 per NFT unit for total proceeds of $493,875. Each FT unit consists of one FT common share of the Company and one-half of one common share purchase warrant exercisable at $0.13 per common share for a period of 2 years. Each NFT unit consists of one common share of the Company and one-half of one common share purchase warrant exercisable at $0.11 per common share for a period of 2 years. In connection with the private placement, the Company incurred finder's fees of $36,000 and issued 327,272 finder's warrants with fair value of $14,563, exercisable at $0.13 per warrant for a period of 2 years.

(Expressed in Canadian Dollars)

7. Share Capital (continued)

(f) On April 18, 2024, the Company issued a total of 733,334 common shares with a fair value of $58,667 pursuant to a mineral property option agreement to acquire mineral claims in the California Lake, Canoe Landing Lake East, and Nine Mile Brook areas (Note 3(c)). Of the 733,334 common shares issued, 400,000 common shares pertained to the second anniversary payment of $30,000 originally due on April 25, 2024, whereby the optionors agreed to receive an equivalent number of common shares at a deemed price of $0.075 per common share.

(g) On May 2, 2024, the Company issued a total of 666,666 common shares with a fair value of $60,000 pursuant to a mineral property option agreement to acquire mineral claims in the California Lake, Canoe Landing Lake East, and Nine Mile Brook areas (Note 3(c)). Of the 666,666 common shares issued, 333,334 common shares pertained to the final $30,000 cash payment originally due on April 25, 2025, whereby the optionors agreed to receive an equivalent number of common shares at a deemed price of $0.09 per common share.

8. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, September 30, 2023	14,387,651	0.29
Issued	9,295,696	0.15
Balance, June 30, 2024	23,683,347	0.24

As at June 30, 2024, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
8,369,025*	0.28	July 28, 2024
492,080*	0.38	July 28, 2024
267,187	0.45	December 7, 2024
1,050,000	0.45	December 12, 2024
890,625	0.45	December 19, 2024
1,783,334	0.23	May 31, 2025
1,535,400	0.15	June 14, 2025
104,000	0.10	December 14, 2025
3,232,500	0.23	December 19, 2025
3,293,968	0.10	March 1, 2026
292,500	0.11	April 17, 2026
2,372,728	0.13	April 17, 2026
23,683,347		

*Expired subsequently (Note 14)

(Expressed in Canadian Dollars)

9. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, September 30, 2023	6,050,000	0.21
Granted	1,700,000	0.10
Cancelled/ Expired	(600,000)	0.25
Outstanding, June 30, 2024	7,150,000	0.18
Exercisable, June 30, 2024	7,150,000	0.18

Additional information regarding stock options outstanding and exercisable as at June 30, 2024, is as follows:

	Outstanding			Exercisable	
Range of exercise prices $	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price $	Number of stock options	Weighted average exercise price $
0.10	1,700,000	4.41	0.10	1,700,000	0.10
0.12	1,700,000	4.19	0.12	1,700,000	0.12
0.18	2,600,000	2.75	0.18	2,600,000	0.18
0.25	500,000*	0.13	0.25	500,000	0.25
0.50	650,000	1.22	0.50	650,000	0.50
	7,150,000	3.17	0.18	7,150,000	0.18

*Expired subsequently (Note 14)

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended June 30, 2024, the Company recognized share-based compensation expense of $113,982 (2023 – $15,716) in share-based payment reserve, of which $96,296 (2023 – $nil) pertains to directors and officers of the Company. During the nine months ended June 30, 2024, the weighted average grant date fair value was $0.07 (2023 – $0.21) per option.

The weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no dividends or expected forfeitures, are as follows:

	2024	2023
Risk-free interest rate	4.14%	3.91%
Expected volatility	141%	138%
Expected life (years)	2.35	1.63

(Expressed in Canadian Dollars)

10. Fair Value Measurements and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on 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 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial instruments, which include cash, accounts payable and accrued liabilities, due to related parties, and convertible loans approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. As at June 30, 2024 and 2023, the Company is not exposed to significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

The following amounts are the contractual maturities of financial liabilities as at June 30, 2024:

	Total $	Within 1 year $	Within 2-5 years $
Accounts payable and accrued liabilities	126,720	126,720	–
Due to related parties	49,460	49,460	–
Convertible loans	180,403	180,403	–
Total	356,583	356,583	–

10. Fair Value Measurements and Risk Management (continued)

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Capital Management

The Company's objectives when managing capital are to raise the necessary equity financing to fund its projects and to manage the equity funds raised which best optimizes its programs and the interests of its equity shareholders at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. 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. In order to maintain or adjust the capital structure, the Company may raise additional equity funds. The Company is not subject to externally imposed capital requirements.

12. Segmented Information

The Company operates in one industry, the mineral resource industry, with all current exploration activities conducted in Canada.

13. Commitments

(a) On April 5, 2024, the Company has entered into a services agreement with a consulting company for an initial term of 3 months to support shareholder communications activities. In consideration for the services during the initial term, the Company agreed to pay $4,000 per month and granted 200,000 stock options which vested immediately and are exercisable at $0.10 per common share for a period of 2 years.

(b) On April 17, 2024, the Company entered into a lease agreement for office space commencing on July 1, 2024, for a term of 2 years. The base rent due under the lease is $19,712 per annum for the term of the lease. In connection with the lease agreement the Company paid a security deposit of $5,892, of which $2,946 will be applied against the rent due in the second month of the term of the lease.

14. Subsequent Events

(a) Subsequent to the nine months ended June 30, 2024, a total of 8,861,105 share purchase warrants with exercise prices ranging between $0.28 per share and $0.38 per share expired unexercised.

(b) Subsequent to the nine months ended June 30, 2024, a total of 500,000 stock options with exercise price of $0.25 per share expired unexercised.