EMP METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2024 AND 2023
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim 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 the Company’s management.

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

EMP METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Note	October 31, 2024 $	April 30, 2024 $
ASSETS			
Current assets			
Cash and cash equivalents		**3,787,481**	7,755,590
Receivables		**747,150**	395,521
Marketable securities	**5**	**46,773**	31,182
Prepaid expenses		**796,649**	215,069
		5,378,053	8,397,362
Exploration and evaluation assets	**6**	**30,689,224**	25,057,934
Total assets		**36,067,277**	33,455,296
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**8**	**2,200,369**	290,913
SHAREHOLDERS' EQUITY			
Share capital	**7**	**43,513,334**	33,149,330
Reserves	**7**	**5,482,061**	5,368,427
Accumulated other comprehensive income		**5,523**	5,523
Deficit		**(15,134,010)**	(7,861,368)
Total equity attributable to shareholders of the Company		**33,866,908**	30,661,912
Attributable to non-controlling interest		**-**	2,502,471
		33,866,908	33,164,383
Total liabilities and shareholders' equity		**36,067,277**	33,455,296

Nature of operations (Note 1)
Commitments (Note 9)
Subsequent event (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on December 13, 2024

"Robin Gamley" Director   "Greg Bronson" Director

EMP METALS CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and six months ended October 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

	Note s	Three months ended October 31, 2024 $	Three months ended October 31, 2023 $	Six months ended October 31, 2024 $	Six months ended October 31, 2023 $
Expenses					
Consulting fees	**8**	**197,459**	230,868	**397,281**	371,943
Filing fees		**17,310**	37,140	**29,114**	47,142
Investor relations		**516,275**	130,763	**729,425**	353,672
Interest		**10,875**	-	**10,875**	-
Office		**100,657**	28,624	**200,187**	77,842
Professional fees	**8**	**107,935**	109,072	**180,428**	142,901
Salaries and benefits		**98,376**	-	**134,631**	-
Share-based compensation	**7, 8**	**56,817**	162,622	**113,634**	465,001
Loss before other items		**(1,105,704)**	(699,089)	**(1,795,575)**	(1,458,501)
Other items					
Interest income		**32,743**	18,016	**111,341**	47,861
Unrealized gain (loss) on marketable securities	**5**	**17,483**	(70,160)	**13,585**	(163,707)
Loss on settlement of accounts payable		**(331,200)**	-	**(331,200)**	-
Foreign exchange loss		**(2,265)**	(578)	**(3,118)**	(578)
		(283,239)	(52,722)	**(209,392)**	(116,424)
Net and comprehensive loss for the period		**(1,388,943)**	(751,811)	**(2,004,967)**	(1,574,925)
Loss attributable to:					
Shareholders of the Company		**(1,384,756)**	(727,148)	**(1,981,340)**	(1,518,868)
Non-controlling interest		**(4,187)**	(24,663)	**(23,627)**	(56,057)
		(1,388,943)	(751,811)	**(2,004,967)**	(1,574,925)
Basic and diluted loss per share		**(0.01)**	(0.01)	**(0.02)**	(0.02)
Weighted average number of shares outstanding		**102,023,213**	70,654,571	**96,848,392**	70,768,805

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

EMP METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited – Expressed in Canadian dollars, except for share figures)

	Note	Number of Shares #	Share Capital $	Reserves $	Accumulated Other Comprehensive Income $	Deficit $	Non-controlling Interest $	Total $
Balance, April 30, 2023		**70,654,571**	**24,854,693**	**3,550,292**	**5,523**	**(5,127,577)**	**904,762**	**24,187,693**
Shares issued pursuant to private placement	6	13,519,000	5,407,600	-	-	-	-	5,407,600
Share issue costs		-	(640,311)	186,431	-	-	-	(453,880)
Flow-through shares issued pursuant to private placement	7	7,500,000	3,562,500	787,500	-	-	-	4,350,000
Non-controlling interest contributions	6	-	-	-	-	-	1,036,699	1,036,699
Share-based compensation	7	-	-	465,001	-	-	-	465,001
Net and comprehensive loss for the period		-	-	-	-	(1,518,868)	(56,057)	(1,574,925)
Balance, October 31, 2023		**91,673,571**	**33,184,482**	**4,989,224**	**5,523**	**(6,646,445)**	**1,885,404**	**33,418,188**
Share issue costs		-	(35,152)	-	-	-	-	(35,152)
Non-controlling interest contributions	6	-	-	-	-	-	652,695	652,695
Share-based compensation	7	-	-	379,203	-	-	-	379,203
Net and comprehensive loss for the period		-	-	-	-	(1,214,923)	(35,628)	(1,250,551)
Balance, April 30, 2024		**91,673,571**	**33,149,330**	**5,368,427**	**5,523**	**(7,861,368)**	**2,502,471**	**33,164,383**
Shares issued pursuant to private placement	7	4,266,680	1,280,004	-	-	-	-	1,280,004
Shares issued to acquire 25% of HCL		17,085,000	8,200,800	-	-	(5,291,302)	(2,909,498)	-
Shares issued as consideration for ROK management fees		1,840,000	883,200	-	-	-	-	883,200
Non-controlling interest contributions	6	-	-	-	-	-	430,654	430,654
Share-based compensation	7	-	-	113,634	-	-	-	113,634
Net and comprehensive loss for the period		-	-	-	-	(1,981,340)	(23,627)	(2,004,967)
Balance, October 31, 2024		**114,865,251**	**43,513,334**	**5,482,061**	**5,523**	**(15,134,010)**	**-**	**33,866,908**

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

EMP METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended October 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	2024 $	2023 $
Operating activities:		
Net loss for the period	**(2,004,967)**	(1,574,925)
Items not involving cash:		
Unrealized (gain) loss on marketable securities	**(13,585)**	163,707
Loss on settlement of accounts payable	**331,200**	-
Share-based compensation (Note 7)	**113,634**	465,001
Changes in non-cash working capital related to operations:		
Receivables	**(351,629)**	(24,792)
Prepaid expenses	**(29,580)**	100,318
Accounts payable and accrued liabilities	**(180,102)**	(1,018,335)
Net cash used in operating activities	**(2,135,029)**	(1,889,026)
Investing activity:		
Acquisition and exploration costs on exploration and evaluation assets (Note 6)	**(3,113,084)**	(565,980)
Net cash used in investing activity	**(3,113,084)**	(565,980)
Financing activity:		
Issuance of common shares	**1,280,004**	9,303,720
Net cash provided by financing activity	**1,280,004**	9,303,720
(Decrease) increase in cash and cash equivalents during the period	**(3,968,109)**	6,848,714
Cash and cash equivalents – beginning of the period	**7,755,590**	3,914,460
Cash and cash equivalents – end of the period	**3,787,481**	10,763,174
Cash	**2,158,077**	9,510,905
Cash equivalents	**1,629,404**	1,252,269
Total cash and cash equivalents	**3,787,481**	10,763,174
Supplemental cash flow information:		
Income taxes paid	**-**	-
Interest paid	**-**	-
Accounts payable included in exploration and evaluation assets	**2,089,558**	335,407

1. NATURE OF OPERATIONS

EMP Metals Corp. (“the Company” or “EMP”) was incorporated under the Business Corporations Act of British Columbia on August 3, 2018. The Company is engaged in the exploration and evaluation of mineral properties. The Company’s head office is located at 208A - 980 West 1st Street, North Vancouver, BC V7P 3N4. The Company’s common shares are listed for trading on the Canadian Securities Exchange (the “Exchange”) under the trading symbol “EMPS” and on the OTCQB under the symbol “EMPPF”.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At October 31, 2024, the Company had accumulated losses of $15,134,010 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. There is a material uncertainty related to these conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed interim consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended April 30, 2024. They do not include all the information required for complete annual financial statements in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and therefore should be read together with the audited financial statements for the year ended April 30, 2024.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiaries, Hub City Minerals Corp. (“HCM”), incorporated in British Columbia on April 19, 2021, and Hub City Lithium Corp. (“HCL”), incorporated in British Columbia on April 19, 2021.

HCM previously owned 75% of the outstanding common shares of HCL. On September 18, 2024, HCM acquired the remaining 25% of HCL (see Note 4).

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the 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. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

The Company's formerly wholly-owned and controlled subsidiary, Hub City Royalty Corp. ("Royalty Corp."), was dissolved on August 21, 2023.

d) Critical judgments and estimates

Indicators of impairment of exploration and evaluation assets
The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project and whether a given exploration and evaluation asset has any indicators of impairment. In determining if indicators of impairment exist, management considers the legal title to properties, expectations for future exploration programs and funds available for such, intentions to abandon exploration and evaluation assets, and whether information is available to assess the overall economic viability of the exploration property, including the latest resource prices and forecasts for mineral extraction (if any).

Shares and warrants issued for asset acquisitions
Management makes estimates in determining the fair value attributed to equity instruments paid as consideration for asset acquisitions, based on the contracted terms for the acquisition. Where common shares are issued for asset acquisitions, management determines the acquisition date and applies the closing market price of the Company's common shares on that date. When warrants are issued as part of asset acquisitions, management must determine the most appropriate valuation model to apply in calculating the grant date fair value of the warrants, and then make estimates of the expected volatility of the stock, the expected life of the warrants, the expected forfeiture rate and an estimated risk-free interest rate for input to the calculation. Inputs and resulting estimates differ depending on the valuation model. Further, should management's estimates as to an appropriate grant date share price or inputs be incorrect, the value of consideration for an asset acquisition could be materially different.

Share-based payments
The Company uses the fair-value method of accounting for share-based payments. Under this method, compensation cost attributable to options granted is measured at fair value, using the Black-Scholes option pricing model, at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, the expected forfeiture rate, and an estimated risk-free interest rate.

(Unaudited – Expressed in Canadian Dollars)

3. ACQUISITION OF ROYALTY CORP.

On August 27, 2021, the Company entered into a share purchase agreement with HCM, whereby the Company acquired 67% of the issued and outstanding shares and share purchase warrants of HCM.

On July 28, 2022, the Company incorporated a new subsidiary, Royalty Corp. In August 2022, the Company entered into a share exchange agreement with the other shareholders of HCM who in aggregate owned 33% of the issued and outstanding shares of HCM, whereby the Company transferred its shares of Royalty Corp. to those shareholders in exchange for their 33% ownership of HCM. As a result, HCM became a 100% wholly-owned subsidiary of the Company. In addition, HCM signed a royalty agreement with Royalty Corp., pursuant to which HCM granted to Royalty Corp. a 25% net profit royalty on amounts received by HCM from HCL.

In February 2023, the Company entered into a securities exchange agreement with the shareholders of Royalty Corp. whereby the Company acquired all of the shares of Royalty Corp. In consideration for all of the shares of Royalty Corp., the Company issued 6,930,000 share purchase warrants to the vendors. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.25 for a period of three years from the date of issuance. The warrants are subject to the Company's right to accelerate the expiry date if the average closing price has been equal to or greater than $1.75 for 10 consecutive trading days and the Company must issue a news release announcing its intention to exercise the acceleration right.

The transaction has been accounted for as the acquisition of the remaining 33% of HCM. The result of the transaction was the 100% ownership of HCM by the Company and elimination of the non-controlling interest of HCM. This change in the proportion of equity held by the non-controlling interest has been recognized directly in equity and attributed to the shareholders of EMP.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
Fair value of 6,930,000 warrants	2,126,353
	2,126,353

Net assets acquired	**$**
Remaining 33% of HCM	2,126,353
	2,126,353

The fair value of the 6,930,000 warrants ($2,126,353) was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: spot price – $0.62 per share; risk-free rate – 3.66%; expected life – 3 years; expected volatility – 100%; expected forfeitures – nil%; and expected dividends – $nil.

Royalty Corp. was dissolved on August 21, 2023.

(Unaudited – Expressed in Canadian Dollars)

4. ACQUISITION OF REMAINING 25% OF HUB CITY LITHIUM

On August 1, 2024, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with ROK Resources Inc. ("ROK"), whereby ROK exchanged its 25 shares of HCL in return for 17,085,000 common shares of the Company (the "ROK Transaction"). As a result of the ROK Transaction which closed on September 18, 2024, the Company now owns 100% of the issued and outstanding shares of HCL.

50% of the shares issued to ROK pursuant to the Share Exchange Agreement and the Management Agreement (as defined herein) will be restricted for a period of 24 months following closing of the ROK Transaction and the remaining 50% of the shares issued to ROK will be restricted for 36 months following Closing.

The ROK Transaction has been accounted for as the acquisition of the remaining 25% of HCL. The result of the ROK Transaction was the 100% ownership of HCL by the Company and elimination of the non-controlling interest of HCL. This change in the proportion of equity held by the non-controlling interest has been recognized directly in equity and attributed to the shareholders of EMP.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
Fair value of 17,085,000 common shares	8,200,800
	8,200,800

Net assets acquired	**$**
Remaining 25% of HCL	8,200,800
	8,200,800

5. MARKETABLE SECURITIES

Marketable securities are classified as FVTPL and, as a result, are measured at fair market value each reporting period with any changes in fair value recognized in profit or loss. During the year ended April 30, 2023, the Company received 779,557 common shares of Grounded Lithium Corp. ("GLC") as part of a land sale (Note 6). The GLC common shares were recorded at an initial fair value of $280,640. As at October 31, 2024, the fair value of the common shares was $46,773 (April 30, 2024 – $31,182). As a result, a gain of $15,591 was recorded in profit or loss for the six months ended October 31, 2024 (2023 - $163,707).

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Li-Brine Properties
	$
April 30, 2023	**20,651,460**
Acquisition costs – cash	1,158,715
Analysis	7,214
Consulting	1,203,949
Drilling	(191,814)
Environmental	8,572
Equipment	257,015
Geologists	167,236
Geochemical	12,002
Land Lease Payment	425,176
Logging	82,568
Permits	8,347
Pilot Testing	407,437
Miscellaneous	12,983
Freight & Transportation	383,552
Travel & Accommodation	18,121
Waste Removal	25,887
Well Servicing	419,514
April 30, 2024	**25,057,934**
Analysis	12,470
Consulting	655,753
Drilling	540,473
Environmental	48,365
Equipment	1,117,560
Geologists	68,628
Geochemical	90,370
Land Lease Payment	587,808
Logging	56,055
Permits	1,172,731
Pilot Testing	534,064
Miscellaneous	17,771
Freight & Transportation	677,878
Travel & Accommodation	17,231
Waste Removal	80,540
Well Servicing	953,593
Data Licensing	(1,000,000)
October 31, 2024	**30,689,224**

(Unaudited – Expressed in Canadian Dollars)

Li-Brine Properties

On September 2, 2021, the Company acquired the Li-Brine Properties as a result of the acquisition of HCM. HCL now holds 196,000 net acres (79,300 hectares) of Subsurface Crown Mineral Dispositions in Saskatchewan, with the focus on potential lithium resource prospects.

On May 24, 2022, the Company entered into a Wellbore Takeover Agreement (the "Agreement"). Within the Agreement the Company assumes the provision for decommissioning of the well, estimated at $70,000. The well is located in the Tyvan area of Southeast Saskatchewan which is within one-half mile of HCM's lands. Such liabilities have been paid to the government of Saskatchewan and satisfied in full.

On September 27, 2022, the Company acquired an additional wellbore in its Mansur Permit Area. The new well, 101/14-36-008-13 W2M ("Second Test Well"), is located at the Mansur Permit Area of southeast Saskatchewan and is approximately half a mile from the Company's first test well in the Mansur. The Second Test Well was acquired for no consideration and the assumption of future abandonment and reclamation costs.

The Company acquired another wellbore in its Mansur Permit Area in November 2022. The new well 141/08-03-009-13 W2M (“Third Test Well”), is located at the Mansur Permit Area of southeast Saskatchewan and is approximately half a mile from the Company’s first test well in the Mansur. The Third Test Well has been acquired for no consideration and the assumption of future abandonment and reclamation costs.

ROK, which owned 25% of HCL, was responsible for 25% of exploration costs incurred. All payments received have been treated as contributions to non-controlling interest.

On March 15, 2023, the Company closed the sale of 33 sections (8,498 hectares) of undeveloped land in the Kindersley area to Grounded Lithium Corp. ("GLC"). As consideration for the sale, the Company received $195,326 in cash and 779,557 GLC common shares. The fair value of the GLC common shares was determined to be the market price of the GLC common shares at the date of issuance, which was $0.36 per share. The Company recorded a gain on sale of $420,647, determined as per below:

	$
Assets Sold	
Claims	55,320
Consideration received	
Cash	195,327
Shares issued	280,640
Gain on sale of E&E Assets	420,647

On August 16, 2024, HCL entered into a lithium study data agreement with one of Canada's largest oil and gas producers, whereby HCL has agreed to license certain lithium data to the oil and gas producer for $1,000,000.

7. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – 114,865,251 common shares

c) Issuances

On March 17, 2023, the Company closed a non-brokered private placement financing by issuing 8,333,333 units at a price of $0.60 per unit for proceeds of $5,000,000. Each unit comprises one common share of the Company and one-half of one share purchase warrant. Each whole warrant entitled the holder to purchase one common share at a price of $0.90 per share until September 16, 2024. The Company assigned $83,333 value to the warrants using the residual value method. These warrants expired unexercised on September 16, 2024.

The Company paid cash share issue costs of $22,481, paid finders fees totalling $259,536 related to the private placement and issued an aggregate of 432,560 finders warrants, with each finders warrant entitling the holder to purchase one common share at a price of $0.60 per share until September 16, 2024. The fair value of the 432,560 finders warrants was determined to be $116,458 and estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: exercise price of $0.60, spot price of $0.58, dividend yield of $nil, risk free interest rate of 3.15%, expected life of 1.5 years and expected volatility of 100%. These warrants expired unexercised September 16, 2024.

During the year ended April 30, 2023, the Company issued 12,960,724 common shares pursuant to the exercise of warrants for total gross proceeds of $2,560,716. $866,519 was transferred from reserves to share capital as a result. The weighted average share price at dates the warrants were exercised was $0.35.

During the year ended April 30, 2023, the Company issued 388,041 common shares pursuant to the exercise of agent's options for total gross proceeds of $89,249. $76,365 was transferred from reserves to share capital as a result. The weighted average share price at dates the agent's options were exercised was $0.33.

On October 31, 2023, the Company closed a non-brokered private placement financing by issuing 13,519,000 hard dollar units ("HD units") at a price of $0.40 per HD unit for proceeds of $5,407,600 and 7,500,000 Saskatchewan flow-through units ("FT Units") at a price of $0.58 per FT unit for proceeds of $4,350,000.

Each HD unit consists of one common share of the Company and three-quarters of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The Company allocated $5,407,600 to the shares and $nil to the warrants using the residual value method. The Company paid finders fees totaling $455,390 related to the HD units and issued an aggregate of 965,950 finders warrants, with each finder's warrant entitling the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The fair value of the 965,950 finder's warrants was determined to be $186,431 and estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: exercise price of $0.60, spot price of $0.475, dividend yield of $nil, risk free interest rate of 4.18%, expected life of 2 years and expected volatility of 84%. Additional share issue costs of $33,642 were incurred.

Each FT unit consists of one “flow-through” common share and three-quarters of one share purchase warrant to be issued on a non-"flow-through" basis. Each whole warrant entitles the holder to purchase one common share at a price of $0.60 per share until October 31, 2025. The Company allocated $3,562,500 to the shares and $787,500 to the warrants using the residual value method. No flow-through share premium liability was allocated to the units.

On August 1, 2024, the Company issued 17,085,000 common shares to acquire 25% of HCL. The fair value of the shares was determined to be $8,200,800. See Note 4.

On August 1, 2024, the Company entered into a management agreement (the “Management Agreement”) with HCL and ROK, for ROK's management and facilitation of the exploration, development and operation of HCL's lithium-focused mineral projects in Saskatchewan on behalf of HCL for a period of one year, in consideration for $552,000 and 1,840,000 common shares of the Company. The management agreement can be renewed for an additional 6 months with consideration of $46,000 per month for the services. The fair value of the 1,840,000 common shares was determined to be $883,200.

On October 4, 2024, the Company closed a non-brokered private placement financing by issuing 4,266,680 common shares at a price of $0.30 per share for proceeds of $1,280,004

d) Stock Options

On March 15, 2019, the Company adopted a stock option plan (the “Stock Option Plan”), which provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company’s common shares issued and outstanding at the time such options are granted. Options may be granted under the Stock Option Plan to the directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director, officer, employee or consultant, or 1% of the issued common shares, if the individual is engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability.

On March 24, 2023, the Company granted a total of 1,800,000 stock options to its directors, officers and consultants. The stock options have an exercise price of $0.65 per share and expire on March 24, 2028. The stock options will vest as to 25% every 3 months after the grant date. The fair value of the options granted was $0.40 per share.

(Unaudited – Expressed in Canadian Dollars)

On November 29, 2023, the Company granted a total of 1,150,000 stock options to a director and an officer. The stock options have an exercise price of $0.45 per share and expire on November 29, 2028. 150,000 of the stock options vest immediately. 1,000,000 of the stock options will vest as to 1/3 immediately, 1/3 on November 29, 2024, and 1/3 on November 29, 2025.

On April 18, 2024, the Company granted a total of 300,000 stock options to an employee and a consultant. The stock options have an exercise price of $0.40 per share and expire on April 18, 2029. The stock options will vest as to 1/3 immediately, 1/3 on April 18, 2025, and 1/3 on April 18, 2026.

The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	April 30, 2024
Exercise price	$0.43
Share price	$0.41
Risk free interest rate	3.75%
Expected life	5.00 years
Expected volatility	100%
Expected forfeiture	Nil
Expected dividends	Nil

During the three and six months ended October 31, 2024, the Company recorded $56,817 and $113,634 (2023 - $162,622 and $465,001) of share-based compensation expense.

The changes in the stock options for the year ended April 30, 2024 and the six months ended October 31, 2024 are as follows:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, April 30, 2023	6,108,332	$0.49	3.50
Granted	1,450,000	$0.44	
Balance, April 30, 2024 and October 31, 2024	7,558,332	$0.48	2.41

The balance of options outstanding as at October 31, 2024 was as follows:

(Unaudited – Expressed in Canadian Dollars)

Expiry date	Exercise price	Remaining Life (years)	Options Outstanding	Unvested	Vested
January 14, 2025	$0.30	0.21	74,999	-	74,999
August 21, 2025	$0.84	0.81	100,000	-	100,000
October 1, 2025	$2.01	0.92	83,333	-	83,333
August 13, 2025	$0.37	0.78	1,800,000	-	1,800,000
September 28, 2025	$0.35	0.91	500,000	-	500,000
January 24, 2027	$0.40	2.23	1,050,000	-	1,050,000
April 5, 2027	$0.40	2.43	700,000	100,000	600,000
March 24, 2028	$0.65	3.40	1,800,000	-	1,800,000
November 29, 2028	$0.45	4.08	1,150,000	483,334	666,666
April 18, 2029	$0.40	4.47	300,000	200,000	100,000
	$0.48	2.41	7,558,332	783,334	6,774,998

e) Warrants

Details of warrant activity for the the year ended April 30, 2024 and the six months ended October 31, 2024 are as follows:

	Number of Warrants #	Weighted Average Exercise Price $
Balance, April 30, 2023	11,529,227	1.10
Granted	16,730,200	0.60
Expired	(4,599,227)	0.87
Balance, April 30, 2024	28,259,427	0.80
Expired	(4,599,227)	0.87
Balance, October 31, 2024	23,660,200	0.79

The balance of warrants outstanding as at October 31, 2024 was as follows:

Expiry date	Exercise price	Remaining Life (years)	Warrants Outstanding
October 31, 2025	$0.60	1.00	16,730,200
February 17, 2026	$1.25	1.30	6,930,000
	$0.79	1.09	23,660,200

(Unaudited – Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons responsible for planning, directing and controlling the activities of the entity, and include executives and non-executive directors. The Company incurred charges from directors and officers, or to companies controlled by these individuals during the three and six months ended October 31, 2024 and 2023 as follows:

	Three months ended October 31,		Six months ended October 31,	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Accounting fees	**34,580**	25,896	**68,190**	48,495
Consulting fees	**115,000**	30,000	**190,000**	60,000
Share-based payment	**44,121**	39,395	**87,282**	114,359
	193,701	95,291	**345,472**	222,854

Accounts payable and accrued liabilities at October 31, 2024 includes $38,441 (April 30, 2024 – $17,261) due to a company controlled by the director and former CEO, the CEO, and a company in which the CFO is an owner.

Key management of the Company includes the CEO, the CFO and the Directors. During the three and six months ended October 31, 2024, compensation paid or accrued to key management consisted of accounting fees of $34,580 and $68,190 (2023 – $25,896 and $48,495) paid or accrued to a company in which the CFO is an owner, consulting fees of $45,000 and $90,000 (2023 – $30,000 and $60,000) paid or accrued to the director and former CEO, and consulting fees of $70,000 and $100,000 (2023 – $30,000 and $60,000) paid or accrued to the CEO.

9. COMMITMENTS

On February 15, 2022, the Company entered into a consulting agreement for investor relations and marketing services at a rate of $30,000 per month ($360,000 per year) for a term of 2 years. If the Company adopted a restricted share unit plan, the Company at its discretion may grant up to 200,000 restricted share units to the consultant. On January 1, 2024, the consulting agreement for investor relations and marketing services was extended for an additional 3 years, such that the agreement shall now expire on January 15, 2027.

On April 1, 2022, the Company entered into two consulting agreements for public company finance and administration support at a rate of $10,000 per month each ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to each consultant of 24 months ($240,000) is required.

On April 1, 2022, the Company entered into a consulting agreement with the CEO at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the CEO of 24 months ($240,000) is required. On November 15, 2023, the consulting agreement with the CEO was amended so that the rate was changed to $15,000 per month ($180,000 per year) effective November 1, 2023. On October 1, 2024, the consulting agreement was further amended so that the rate was changed to $30,000 per month ($360,000 per year) effective October 1, 2024.

On November 1, 2022, the Company entered into a consulting agreement for public company finance and administration support at a rate of $10,000 per month ($120,000 per year) for a term of 5 years. On a change of control of the Company, a payment to the consultant of 24 months ($240,000) is required.

10. SUBSEQUENT EVENT

On November 25, 2024, the Company entered into a loan agreement with Tembo Capital Holdings Guernsey Limited (“Tembo”), whereby Tembo has provided a non-revolving loan facility of US$3,000,000 with a maturity date of December 31, 2025 (the “Loan Facility”).

Under the Loan Facility, the Company will be able to draw down funds in tranches of US$1,000,000 (the “Drawdown Amounts”) until December 31, 2024. Interest will accrue at a rate of 13.5% per annum on any portion of the Drawdown Amounts owed.

Upon entry into the loan agreement, the Company paid Tembo an arrangement fee of US$60,000, which was satisfied by the issuance of 650,000 common share purchase warrants of the Company (the “Arrangement Fee Warrants”), with each Arrangement Fee Warrant being exercisable to acquire one common share of the Company at an exercise price of $0.35 per share until November 25, 2026.

For each portion of a Drawdown Amount tranche of US$1,000,000 that is not repaid by the Company within 15 business days of such drawdown, the Company will pay to Tembo a drawdown fee equal to US$20,000 for each US$1,000,000 owing, which will be satisfied by the issuance of 216,000 common share purchase warrants (the “Drawdown Fee Warrants”). Each Drawdown Fee Warrant will be exercisable to acquire one common share at an exercise price of $0.35 per share for a period of 2 years from issuance.