CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the Nine Months Ended September 30, 2024 and 2023

The accompanying unaudited interim condensed consolidated financial statements of Temas Resources Corp. 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 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 auditors.

TEMAS RESOURCES CORP.

Condensed Interim Statements of Financial Position

(Unaudited and expressed in Canadian Dollars)

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash		$ **405,459**	$ 271,236
Taxes receivable		**26,884**	27,982
Prepaid expenses and deposits	*5,10*	**67,500**	67,500
		499,843	366,718
Non-Current Assets			
Investments	*7*	**1**	1
Exploration and evaluation assets	*6*	**6,576,865**	6,427,038
Total Assets		**7,076,709**	6,793,757
LIABILITIES			
Current Liabilities			
Accounts payable & accrued liabilities	*10*	**890,636**	1,181,544
Loan payable	*10*	**-**	96,406
Taxes payable	*11*	**671,869**	671,869
Total Liabilities		**1,562,505**	1,949,819
SHAREHOLDERS' EQUITY			
Share capital *(net of issuance costs)*	*8*	**13,812,786**	11,777,968
Reserves	*8*	**4,901,622**	4,901,622
Deficit		**(13,200,204)**	(11,835,652)
		5,514,204	4,843,938
Total Liabilities and Shareholders' Equity		$ **7,076,709**	$ 6,793,757

Nature of Operations and Going Concern	*1*
Subsequent Events	*13*

Approved on behalf of the Board:

"Tim Fernback", *CEO & Director*
Tim Fernback

"Kyler Hardy", *Director*
Kyler Hardy

TEMAS RESOURCES CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

For the nine months ended September 30, 2024 and 2023

(Unaudited and expressed in Canadian Dollars)

	Note	**For the three months Ended September 30, 2024**	For the three months Ended September 30, 2023	**For the nine months ended September 30, 2024**	For the nine months ended September 30, 2023
General and Administrative Expenses					
Consulting	*10*	**$ 220,119**	95,905	**606,869**	195,408
Exploration expenditures	*10*	**$ 63,169**	33,369	**142,026**	282,845
General and administrative		**$ 10,085**	-	**12,170**	-
Insurance		**$ 13,500**	3,375	**13,500**	10,500
Interest and bank charges		**$ 4,855**	2,982	**5,496**	3,503
Investor Relations		**$ 387,958**	34,613	**449,173**	38,918
Patents		**$ -**	-	**-**	1,865
Professional Fees		**$ 10,287**	6,091	**33,596**	39,915
Share-based payments	*8,10*	**$ -**	72,000	**-**	72,000
Transfer agent and filing fees		**$ 11,748**	28,646	**60,313**	38,332
Travel		**$ 13,093**	-	**35,806**	-
Total expenses		**734,814**	276,981	**1,358,949**	683,286
Other items					
Impairment	*7*	**$ 4,559**	-	**5,603**	-
Interest income		**$ -**	(206)	**-**	(3,090)
Equity loss in investee	*7*	**$ -**	1,500	**-**	9,500
Recovery of flow-through premium liability	*11*	**$ -**	-	**-**	(44,221)
Total other items		**$ 4,559**	$ 1,294	**$ 5,603**	$ (37,811)
Net and comprehensive loss for the period		**$ 739,373**	$ 278,275	**$ 1,364,552**	$ 645,475
Basic and diluted loss per share		**$ (0.03)**	$ (0.03)	**$ (0.06)**	$ (0.07)
Weighted average number of common shares outstanding		**26,609,997**	9,832,386	**22,401,231**	9,796,210

The accompanying notes are an integral part of these financial statements

TEMAS RESOURCES CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2024 and 2023

(Unaudited and expressed in Canadian Dollars)

	Note	Share Capital				
		Number of shares	Amount	Reserves	Deficit	Total Shareholders' Equity
Balance December 31, 2022		**9,676,831**	**$11,932,731**	**$4,810,252**	**($9,602,501)**	**$7,140,482**
New common shares - Equity facility	*8*	100,000	22,500	-	-	22,500
New common shares - Debt settlement	*8*	55,555	25,000	-	-	25,000
Share isssuance costs	*8,9,10*	-	(668,301)	-	-	(668,301)
Share-based payments	*8*	-	-	72,000	-	72,000
Net loss for the period		-	-	-	(645,475)	(645,475)
Balance September 30, 2023		**9,832,386**	**$11,311,930**	**$4,882,252**	**($10,247,976)**	**$5,946,206**
Balance December 31, 2023		**16,062,398**	**$11,777,968**	**$4,901,622**	**($11,835,652)**	**$4,843,938**
New common shares - Warrant exercise	*8*	**1,564,900**	**234,735**	**-**	**-**	234,735
New common shares - Option exercise	*8*	**75,000**	**7,875**	**-**	**-**	7,875
New common shares - Private Placement	*8*	**8,598,678**	**1,719,738**	**-**	**-**	1,719,738
New common shares - Exploration and evaluation asset	*6*	**357,142**	**75,000**	**-**	**-**	75,000
Share isssuance costs	*8*	**-**	**(2,530)**	**-**	**-**	(2,530)
Net loss for the period		**-**	-	-	(1,364,552)	(1,364,552)
Balance September 30, 2024		**26,658,118**	**$13,812,786**	**$4,901,622**	**($13,200,204)**	**$5,514,204**

TEMAS RESOURCES CORP.

Condensed Interim Statements of Cash Flows

For the nine months ended September 30, 2024 and 2023

(Unaudited and expressed in Canadian Dollars)

Cash Provided By (Used In):		**For the nine months ended September 30, 2024**		For the nine months ended September 30, 2023
Operating Activities				
Net loss for the period	**$**	**(1,364,552)**	$	(645,475)
Non-cash items				
Impairment of investment and loan, net		**5,603**		-
Equity loss in investee		**-**		9,500
Flow-through premium liability		**-**		(44,221)
Share-based payments				72,000
Changes in non-cash working capital				
Prepaids		**-**		(3,000)
Taxes receivable		**1,098**		680
Accounts payable and accrued liabilities		**(290,908)**		(280,700)
Cash flows used in operating activities	**$**	**(1,648,759)**	$	(891,216)
Investing Activities				
Loans receivable		**-**		(9,123)
Exploration and evaluation assets		**(80,429)**		-
Cash flows used in investing activities	**$**	**(80,429)**	$	(9,123)
Financing Activities				
Issuance of new shares		**1,959,818**		47,500
Short term loan		**(96,406)**		142,715
Net cash from financing activities	**$**	**1,863,412**	$	190,215
Increase (decrease) in cash		**134,223**		(710,124)
Cash, beginning of period		**271,236**		789,501
Cash, end of period	**$**	**405,459**	$	79,377

The accompanying notes are an integral part of these financial statements

1. Nature and Continuance of Operations

Temas Resources Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 25, 2018, under the name "Clean Earth Chemical Corp." On August 12, 2019, the Company changed its name to Temas Resources Corp.

The Company's head office and registered office is located at 309 – 2912 West Broadway, Vancouver, British Columbia, V6K 0E9. The Company's principal business activity is the acquisition, development and exploration of mineral properties.

On June 26, 2023, the Company consolidated its issued and outstanding common shares on the basis of 9 pre-consolidation common shares to 1 post consolidation common share. All information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these financial statements have been adjusted retroactively to reflect the share consolidation.

The Company has an accumulated deficit of $13,200,204 as at September 30, 2024. The Company currently does not have sufficient liquidity to meet its operational requirements for the next fiscal year. The Company's continued operations are dependent upon its ability to obtain the necessary financing to complete the development of its mineral properties and to bring them into future profitable production or realize proceeds from their dispositions. The Company has not yet determined whether the mineral properties contain reserves that are economically recoverable. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These 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 the financial statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

These financial statements were authorized by the Board of Directors on November 6, 2024.

2. Basis of Presentation

Statement of Compliance
The condensed interim financial statements for the three months ended September 30, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the presentation of interim statements including IAS 34, Interim Financial Reporting.

Basis of Measurement
These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. All dollar amounts presented are in Canadian dollars unless otherwise specified. These condensed interim financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

(Expressed in Canadian dollars)

3. Material Accounting Policy Information

The Company's significant accounting policies can be read in Note 3 to the Company's annual audited financial statements at and for the year ended December 31, 2023.

4. Loan receivable

During the period, the Company impaired the loan of $5,603 (2023 - Nil) to its associated company ORF Technologies Inc. See note 7.

5. Prepaids

Included in prepaid as of September 30, 2024, is $67,500 (December 31, 2023 - $67,500) in prepaid advisory services.

6. Exploration and Evaluation Assets

The carrying value of the Company's mineral properties is as follows:

	Lac Brule	La Blache	DAB	Piskanja	Total
December 31, 2021	**$ 29,000**	**$ 5,827,721**	**$ 550,000**	**$ 179,175**	**$ 6,585,896**
Technical services	-	-	-	127,638	127,638
Impairment provision	-	-	-	(306,813)	(306,813)
December 31, 2022	**$ 29,000**	**$ 5,827,721**	**$ 550,000**	**$ -**	**$ 6,406,721**
Renew claims	-	20,317	-	-	20,317
December 31, 2023	**$ 29,000**	**$ 5,848,038**	**$ 550,000**	**$ -**	**$ 6,427,038**
Renew claims	14,862	9,965	-	-	24,827
Acquisition costs	-	125,000	-	-	125,000
September 30, 2024	**$ 43,862**	**$ 5,983,003**	**$ 550,000**	**$ -**	**$ 6,576,865**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated the title to its exploration and evaluation assets and, to the best of its knowledge, the title is in good standing.

La Blache Property, Quebec, Canada

On June 18, 2020, the Company entered into a Purchase Agreement to purchase a 100% interest in the La Blache property in Core-Nord, Quebec from Cloudbreak Discovery Corp. and Cronin Services Ltd. (collectively known as "Vendors") for an aggregate of 2,222,222 common shares (issued) of the Company, $60,000 (paid) in cash payments and the delivery of an NSR royalty of 2%. The Company has the right to repurchase one-half of the NSR royalty (1%) for $2,500,000 at any time. The Vendors have common directors with the Company.

On March 27, 2024, the Company entered into an option agreement to earn 100% interest in the La Blache Lake Extension Property. Pursuant to the option agreement, the Company must issue an aggregate of $275,000 in common shares and pay an aggregate of $350,000 in cash over a 48th month period. On April 11, 2024 the Company paid $50,000 in cash and issued 357,142 common shares at a deemed price of $0.21 in accordance with the option agreement ($75,000 deemed value).

6. Exploration and Evaluation Assets (Continued)

DAB Property, Quebec, Canada

On January 15, 2020, the Company entered into an option agreement with Contigo Resources Ltd. ("Contigo") to acquire a 100% interest in the 124 claims comprising the DAB property. Under the terms of the option agreement, the Company needs to undertake the following to exercise its option:

- make cash payments of $25,000 on January 15, 2020 (paid) and $50,000 (paid) on January 15, 2021; and
- issue 1,111,111 common shares of the Company to Contigo on January 15, 2020 (issued).

Per the terms of the option agreement, Contigo retains a 2% net smelter royalty ("NSR") on the DAB property. The Company can purchase 50% of the NSR at any time for a cash payment of $1,500,000.

The DAB and La Blache properties were historically one project. As such, the Company operates and references to the two purchases as "La Blache".

Lac Brule, Quebec, Canada

To augment the Company's claims acquired through staking, on August 19, 2021, the Company had entered into a purchase agreement to acquire a 100% interest in an additional mineral claim comprising the Lac Brule property. Under the terms of the agreement, the Company made a cash payment of $10,000 and issued 5,555 common shares of the Company to the seller at a value of $19,000. Per the terms of the option agreement, the seller retains a 1% net smelter royalty ("NSR") on the additional mineral claim. The Company can purchase 50% of the NSR at any time for a cash payment of $500,000.

Piskanja Borate Project, Serbia

On June 16, 2021, the Company entered into an option and joint venture agreement with Erin Ventures Inc. and Balkan Gold D.O.O. Temas has the right and option to earn up to a 50% undivided interest in the Piskanja Borate Project located in Serbia by incurring €10,500,000 in work expenditures on the project. As initial consideration for the option, the Company issued 27,777 common shares, valued at $103,750, and 27,777 common share purchase warrants with an exercise price of $2.88 per share expiring August 4, 2025, valued at $75,425. On December 23, 2022, the Company terminated the option and joint venture agreement, therefore, no longer has an interest in this project.

(Expressed in Canadian dollars)

7. Investment in associate

On March 26, 2021, the Company purchased a 50% interest in ORF Technologies Inc. ("ORF") for $600,000. ORF is an early-stage Canadian Company with a focus on mineral extraction technologies. The Company measures its investment in ORF using the equity method. For the year ended December 31, 2023, the Company recorded an equity loss of $8,635 relating to its investment in ORF.

Due to minimal activity and the lack of necessary cash flow, the Company recorded an impairment of $563,116 during the year ended December 31, 2023.

Investment at March 26, 2021	$	600,000
Equity loss for the period		(10,840)
Investment at December 31, 2021		589,160
Equity loss for the year		(17,408)
Investment at December 31, 2022		571,752
Equity loss for the year		(8,635)
Impairment		(563,116)
Investment at December 31, 2023	$	1
Investment at September 30, 2024	**$**	**1**

Summarized annual financial information of ORF is as follows:

		Year ended December 31, 2023		Year ended December 31, 2022
Cash	$	1,173	$	2,933
Current assets		70,000		70,000
Current liabilities		202,731		126,795
Revenue		-		-
Net loss and comprehensive loss	$	19,135	$	34,816

8. Share Capital

On June 26, 2023, the common shares of the Company were consolidated on a basis of 9 pre-consolidation shares to 1 post-consolidation share, no fractional shares were issued. Accordingly, the Company has affected the share consolidation in these financial statements as if it had happened at the beginning of periods reported, and disclosed all share capital, warrant and stock option information respectively on a post consolidated basis

Authorized

The Company's authorized share capital consisted of an unlimited number of common shares without par value. As at September 30, 2024, the Company had 26,658,118 (16,062,386 - December 31, 2023) common shares outstanding.

8. Share Capital (Continued)

Issued and outstanding common shares

Fiscal 2024
On July 18, 2024, the Company issued 262,000 common shares for gross proceeds of $39,300 in connection with the exercise of warrants at $0.15 per common share.

On July 9, 2024, the Company issued 20,000 common shares for gross proceeds of $3,000 in connection with the exercise of warrants at $0.15 per common share.

On June 26, 2024, the Company issued 30,000 common shares for gross proceeds of $4,500 in connection with the exercise of warrants at $0.15 per common share.

On June 5, 2024, the Company issued 40,000 common shares for gross proceeds of $6,000 in connection with the exercise of warrants at $0.15 per common share.

On June 4, 2024, the Company issued 100,000 common shares for gross proceeds of $15,000 in connection with the exercise of warrants at $0.15 per common share.

On May 16, 2024, the Company issued 48,900 common shares for gross proceeds of $7,335 in connection with the exercise of warrants at $0.15 per common share.

On May 14, 2024, the Company issued 500,000 common shares for gross proceeds of $75,000 in connection with the exercise of warrants at $0.15 per common share.

On May 10, 2024, the Company completed a non-brokered private placement whereby the Company issued 2,655,000 units at a price of $0.20 per unit for gross proceeds of $531,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.40 expiring on May 10, 2026. Cash finder's fee of $2,520 was paid.

On May 6, 2024, the Company issued 275,000 common shares for gross proceeds of $41,250 in connection with the exercise of warrants at $0.15 per common share.

On April 11, 2024, the Company issued 357,142 common shares at a deemed price of $0.21 in accordance with the La Blache option agreement dated March 27, 2024 ($75,000 deemed value).

On April 5, 2024, the Company completed a non-brokered private placement whereby the Company issued 5,943,690 units at a price of $0.20 per unit for gross proceeds of $1,188,738. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.40 expiring on April 5, 2026.

On April 1, 2024, the Company issued 75,000 common shares for gross proceeds of $11,250 in connection with the exercise of warrants at $0.15 per common share.

On March 27, 2024, the Company issued 200,000 common shares for gross proceeds of $30,000 in connection with the exercise of warrants at $0.15 per common share.

9. Share Capital (Continued)

On February 27, 2024, the Company issued 14,000 common shares for gross proceeds of $2,100 in connection with the exercise of warrants at $0.15 per common share.

On January 3, 2024, the Company issued 75,000 common shares for gross proceeds of $7,875 in connection with the exercise of options at $0.105 per common share.

Fiscal 2023
On November 21, 2023, the Company completed a non-brokered private placement whereby the Company issued 3,050,000 units at a price of $0.10 per unit for gross proceeds of $305,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.15 expiring on November 21, 2025. Cash finder's fee of $2,100 was paid.

On October 23, 2023, the Company completed a non-brokered private placement whereby the Company issued 3,180,000 units at a price of $0.10 per unit for gross proceeds of $318,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.15 expiring on October 23, 2025. Cash finder's fee of $1,400 was paid. The Company also issued 14,000 agent warrants at $0.15.

On March 27, 2023, the Company settled outstanding fees of $25,000 for 55,555 common shares with an issue price of $0.45.

On February 28, 2023, the Company issued 100,000 common shares at $0.225 for proceeds of $22,500 in connection with the Crescita Capital equity investment facility.

Fiscal 2022
On December 19, 2022, the Company issued 208,333 flow-through units at a price of $0.72 per unit for gross proceeds of $150,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $7,500 and issued 18,750 finder's warrants, exercisable at $0.90 per common share, and expire two years from the grant date. The finder's warrants have a fair value of $3,868.

On November 22, 2022, the Company issued 27,777 common shares for gross proceeds of $14,625 in connection with the Equity Investment Facility.

On November 22, 2022, the Company issued 486,111 flow-through units at a price of $0.72 per unit for gross proceeds of $350,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $21,500, issued 19,444 finder's warrants, exercisable at $0.72 per common share, and expire three years from the grant date, and issued 18,750 finder's warrants, exercisable at $0.90 per common share, and expire two years from the grant date. The finder's warrants have a combined fair value of $11,916.

On November 1, 2022, the Company issued 22,222 common shares for gross proceeds of $12,240 in connection with the Equity Investment Facility. On October 12, 2022, the Company issued 77,777 common shares for gross proceeds of $44,100 in connection with the Equity Investment Facility.

(Expressed in Canadian dollars)

8. Share Capital (Continued)

On August 31, 2022, the Company issued 847,222 flow-through units at a price of $0.72 per unit for gross proceeds of $610,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $30,500 and issued 76,250 finder's warrants, exercisable at $0.90 per common share, and expire three years from the grant date. The finder's warrants have a fair value of $43,709.

On August 22, 2022, the Company issued 111,111 common shares for gross proceeds of $57,000 in connection with the Equity Investment Facility.

On August 8, 2022, the Company issued 55,555 common shares for gross proceeds of $29,250 in connection with the Equity Investment Facility.

Stock Options

As at September 30, 2024, the Company has 1,511,500 stock options outstanding (December 31, 2023: 1,478,167) with 1,035,750 stock options exercisable.

A summary of the status of the stock options as of September 30, 2024, and 2023 and changes during the periods then ended is presented below:

	Number	Weighted Average Exercise Price
Balance at December 31, 2021	**552,222**	**$4.50**
Granted	88,889	$6.08
Expired/Cancelled	(179,815)	$3.78
Balance at December 31, 2022	**461,296**	$3.06
Expired/Cancelled	(462,296)	$3.11
Granted	1,461,500	$0.14
Balance at December 31, 2023	**1,4761,500**	**$0.15**
Expired/Cancelled	(150,000)	$0.105
Exercised	(75,000)	$0.105
Granted	125,000	$0.29
Balance at September 30, 2024	**1,361,500**	**$0.15**
Exercisable at September 30, 2024	**960,750**	**$0.13**

Stock options outstanding as at September 30, 2024 were as follows:

Number of Options	Weighted Average Exercise Price		Remaining Life (In Years)	Expiry Date
535,000	$	0.11	1.84	August 2, 2026
300,000	$	0.13	4.15	November 21, 2028
401,500	$	0.20	4.17	November 29, 2028
125,000	$	0.29	3.70	June 13, 2028
1,361,500	**$**	**0.15**	**3.20**	

8. Share Capital (Continued)

On June 13, 2024, the Company granted 125,000 stock options to a director of the Company exercisable at $0.29 per option for a period of 4 years. The options vest over two years from issuance (fully vested by June 13, 2026). The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 3.16%; expected life – 4 years; expected volatility – 100.00%; forfeiture rate - Nil and expected dividends – Nil.

On January 3, 2024, the Company issued 75,000 common shares for gross proceeds of $7,875 in connection with the exercise of options at $0.105 per common share.

On November 29, 2023, the Company granted 401,500 stock options to the CEO of the Company exercisable at $0.20 per option for a period of 4 years. The options vest over two years from issuance (fully vested by May 29, 2025). The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 3.60%; expected life – 5 years; expected volatility – 182.93%; forfeiture rate - Nil and expected dividends – Nil.

On November 21, 2023, the Company granted 300,000 stock options to a consultant of the Company exercisable at $0.125 per option for a period of 5 years. The options vest over one year from issuance (fully vested by November 21, 2024). The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 3.74%; expected life – 5 years; expected volatility – 183.46%; forfeiture rate - Nil and expected dividends – Nil.

On August 2, 2023, the Company granted 760,000 stock options to consultants, directors and officers of the Company exercisable at $0.105 per option for a period of three years. The options are vested immediately. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 4.43%; expected life – 3 years; expected volatility – 187.79%; forfeiture rate - Nil and expected dividends – Nil.

On March 14, 2022, the Company granted 16,667 stock options to an officer of the Company exercisable at $1.08 per option for a period of three years. The options are vested immediately. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 1.94%; expected life – 3 years; expected volatility – 99.77%; forfeiture rate - Nil and expected dividends – Nil.

On February 2, 2022, the Company granted 72,222 stock options to various directors, officers, and consultants of the Company at an exercise price of $1.26 per option. The options will expire in five years and vest immediately on the grant date. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 1.61%; expected life – 5 years; expected volatility – 100.00%; forfeiture rate - Nil and expected dividends – Nil.

(Expressed in Canadian dollars)

8. Share Capital (Continued)

Share Purchase Warrants

As at September 30, 2024, the Company has 9,895,073 warrants outstanding (December 31, 2023: 7,148,028). A summary of the status of the warrants as of September 30, 2024, and 2023 and changes during the periods then ended is presented below:

	Number	Weighted Average Exercise Price
Balance at December 31, 2022	**1,447,170**	**$1.44**
Issued	6,244,000	$0.15
Exercised	-	$0.00
Expired/Cancelled	(543,143)	$2.60
Balance at December 31, 2023	**7,148,028**	**$0.24**
Issued	4,311,945	$0.40
Exercised	(1,564,900)	$0.15
Balance at September 30, 2024	**9,895,073**	**$0.33**

Share purchase warrants outstanding as at September 30, 2024, were as follows:

Number of Warrants	Weighted Average Exercise Price		Remaining Life (In Years)	Expiry Date
499,861	$	0.90	0.92	August 31, 2025
281,250	$	0.90	1.14	November 21, 2025
104,167	$	0.90	1.22	December 19, 2025
18,750	$	0.90	0.22	December 19, 2024
2,091,100	$	0.15	1.06	October 23, 2025
2,588,000	$	0.15	1.14	November 21, 2025
2,971,845	$	0.40	1.51	April 5, 2026
1,340,100	$	0.40	1.61	May 10, 2026
9,895,073	**$**	**0.33**	**1.29**	

9. Equity Investment Facility

On November 18, 2020, the Company entered into a $5,000,000 equity investment facility with Crescita Capital. The Company can draw down funds from the $5,000,000 equity investment facility from time to time during the three-year term at the Company's discretion by providing a drawdown notice to Crescita Capital, and in return for each drawdown notice funded by Crescita Capital, the Company will allot and issue fully paid common shares to Crescita Capital.

The shares issued in connection with any drawdown notice will be priced at the higher of (i) the floor price set by the Company and (ii) 90% of the average closing bid price resulting from the following ten days of trading after the drawdown notice ("Pricing Period"). The drawdown notice amount requested by the Company cannot exceed 700% of the average daily trading volume of the Pricing Period.

9. Equity Investment Facility (Continued)

In connection with the equity investment facility, the Company paid a commitment fee. This fee consisted of a 3% commission to be paid in common shares, at a price of $2.25 per share (67,777 shares valued at $150,000), and warrants equal to 8% of the outstanding common shares of the Company (515,364 warrants valued at $2,560,331). The warrants have an exercise price of $2.25 per common share and expire three years from the grant date. The warrants were fair valued using the Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 0.29%; expected life - 3 years; expected volatility - 100.00%; forfeiture rate - Nil and expected dividends - Nil.

The value of the commitment fee was recorded as a deferred financing charge and is being amortized as share issue costs over the term of the equity investment facility, with amortization charges amounting to $821,762 for the year ended December 31, 2023 (2022 - $891,068). As at September 30, 2024, the carrying amount of the deferred financing charges was $Nil (December 31, 2023 - $Nil).

In November 2023, the three-year term with Crescita ended.

10. Related Party Transactions

Key management personnel at the Company are the directors and officers of the Company.

During the period ended September 30, 2024, the Company incurred:

- Consulting fees of $144,000 (2023 - $180,000) to a company owned by a director of the Company
- Exploration technical services of $44,650 (2023 - $Nil) to a company owned by a former director of the Company
- Consulting fees of $93,749 (2023 - $Nil) to a company owned by CEO
- Share-based payments of $Nil (2023 - $72,000) to officers, directors and companies with common officers and directors.

As of September 30, 2024, loans and receivable includes:

- $67,500 (December 31, 2023 - $67,500) prepaid deposit paid to a company owned by a director of the Company
- $226,850 (December 31, 2023 – $399,810) payable to a company owned by a director of the Company
- $79,013 (December 31, 2023 – $Nil) is due to a company owned by the CEO of the Company
- $135,000 (December 31, 2023 - $135,000) due to a former officer of the Company

On July 14, 2023, the Company entered a $140,000 secured loan agreement (“Secured Loan”) with a company controlled by a director of the Company. The Secured Loan carries an interest rate of 12% per annum, paid in advance quarterly with a maturity date of July 13, 2024, and secured by the assets of the Company. During the period ended September 30, 2024, the Company accrued interest of $4,331 (2023 - $2,715) and the Secured Loan was paid off April 5, 2024.

All loans except for the loan from the Secured Loan are non-interest bearing and due on demand. All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Liability and Income Tax Effect on Flow-through Shares

Funds raised through the issuance of flow-through common shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

In December 2020, the Company issued 402,777 flow-through common shares at $9.00 per share for gross proceeds of $3,625,000 and recognized an initial liability for flow-through shares of $606,250. During the years ended December 31, 2021 and 2022, the Company has completed its flow-through spending obligations and has recognized a flow-through recovery of $606,250.

During the 2022 year, the Company issued 1,541,666 flow-through common shares at an average price of $0.72 for gross proceeds of $1,110,000 and recognized an initial liability for flow-through shares of $143,750. The $1,110,000 flow-through funds were required to be incurred by December 31, 2023. As at December 31, 2023, the Company had spent $405,185 of the $1,110,000 flow-through obligation leaving a shortfall of $704,815. The Company will incur income tax and penalties associated with this shortfall for itself and for investors. As at September 30, 2024 and December 31, 2023, the Company has accrued $671,869 in estimated taxes payable.

12. Financial and Capital Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The Company has no financial instruments carried at fair value. The Company’s cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and loan payable are recorded at subsequently measured at amortized cost.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in way in which such exposure in managed is provided as follows:

Foreign exchange risk
The Company’s functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company’s exposure to foreign currency risk is minimal.

Credit risk
The Company’s cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit

12. Financial and Capital Risk Management (continued)

risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
The Company's ability to continue as a going concern is dependent on management's ability to raise the required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk
The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

13. Subsequent Events

There are no subsequent events.