CLARITY METALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023
(Unaudited - Expressed in Canadian dollars)

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

The accompanying unaudited condensed interim financial statements of Clarity Metals Corp. (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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

CLARITY METALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

As at		June 30, 2024		December 31, 2023
ASSETS				
CURRENT ASSETS				
Cash	$	4,589	$	20,560
Receivables and prepaid expenses (Notes 3, 8)		27,499		31,923
		32,088		**52,483**
NON-CURRENT ASSETS				
Exploration and evaluation assets (Note 4)		819,869		819,869
TOTAL ASSETS		**851,957**		**872,352**
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Notes 5,8)		595,231		609,348
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		12,607,558		12,180,936
Reserves (Note 6)		163,362		178,662
Accumulated deficit		(12,514,194)		(12,096,594)
TOTAL SHAREHOLDERS' EQUITY		**256,726**		**263,004**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**851,957**	**$**	**872,352**

Nature of operations (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors on August 26, 2024:

"James Rogers" Director
James Rogers

"Rose Zanic" Director
Rose Zanic

The accompanying notes are integral to these condensed interim financial statements

CLARITY METALS CORP.
CONDENSED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
EXPENSES				
Consulting fees (Note 8)	$ 45,490	$ 90,924	$ 83,740	$ 155,924
Exploration expenditures (Notes 4, 8)	19,758	45,687	25,008	115,432
Foreign exchange loss (gain)	(160)	198	(176)	3,034
Marketing	-	10,080	-	591,756
Office and administration	645	21,370	5,414	67,684
Professional fees (Note 8)	88,038	78,223	114,823	174,754
Transfer agent, registration and filing fees	8,738	13,056	15,180	17,546
Travel	-	2,467	-	2,467
Shareholder communication	1,370	-	1,370	-
Share-based compensation (Notes 6, 8)	1,700	137,500	52,700	325,000
	(165,579)	(399,505)	(298,059)	(1,453,597)
Other items				
Gain (loss) on settlement of debt (Notes 5, 9)	-	-	(119,541)	8,924
Loss and comprehensive loss for the period	**$ (165,579)**	**$ (399,505)**	**$ (417,600)**	**$(1,444,673)**
Basic and diluted loss per share	**$ (0.00)**	**$ (0.01)**	**$ (0.01)**	**$ (0.03)**
Weighted average number of common shares outstanding- basic and diluted	**52,454,480**	**44,172,777**	**48,818,118**	**43,831,694**

The accompanying notes are integral to these condensed interim financial statements

CLARITY METALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share Capital								
	Number of shares		**Amount**		**Reserves**		**Deficit**		**Total**
Balance, December 31, 2022	**43,362,592**	**$**	**11,759,640**	**$**	**1,334,485**	**$**	**(10,974,952)**	**$**	**2,119,173**
Shares issued for acquisition of exploration and evaluation assets	185,185		46,296		-		-		46,296
Restricted Share Units	2,500,000		375,000		(375,000)		-		-
Share-based compensation	-		-		325,000		-		325,000
Recovery on expiry of agent options	-		-		(1,134,168)		1,134,168		-
Net loss for the period	-		-		-		(1,444,673)		(1,444,673)
Balance, June 30, 2023	**46,047,777**		**12,180,936**		**150,317**		**(11,285,457)**		**1,045,796**
Share-based compensation	-		-		28,345		-		28,345
Net loss for the period	-		-		-		(811,137)		(811,137)
Balance, December 31, 2023	**46,047,777**		**12,180,936**		**178,662**		**(12,096,594)**		**263,004**
Shares issued pursuant to debt settlement agreements	5,977,033		358,622		-		-		358,622
Restricted Share Units	1,700,000		68,000		(68,000)		-		-
Share-based compensation	-		-		52,700		-		52,700
Net loss for the period	-		-		-		(417,600)		(417,600)
Balance, June 30, 2024	**53,724,810**	**$**	**12,607,558**	**$**	**163,362**	**$**	**(12,514,194)**	**$**	**256,726**

The accompanying notes are integral to these condensed interim financial statements

CLARITY METALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

For the six months ended,		June 30, 2024		June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(417,600)	$	(1,444,673)
Add items not affecting cash:				
Share-based compensation		52,700		325,000
Loss on settlement of debt		119,541		-
Non-cash working capital changes:				
Receivables and prepaid expenses		4,424		108,328
Accounts payable and accrued liabilities		224,964		20,902
Net cash used in operating activities		**(15,971)**		**(990,443)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of exploration and evaluation assets		-		(35,000)
Net cash used in investing activities		**-**		**(35,000)**
Decrease in cash during the period		(15,971)		(1,025,443)
Cash, beginning of the period		20,560		1,085,019
Cash, end of the period	$	**4,589**	$	**59,576**

Note 9 – Supplemental disclosures with respect to cash flows.

The accompanying notes are integral to these condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Clarity Metals Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 11, 2019. The Company's head office and registered office are located at Suite 1680, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

On June 29, 2020, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") and trades under the symbol "CMET". On July 1, 2020, the Company's common shares commenced trading on the OTC Pink Sheets Market under the trading symbol "CLGCF".

The Company is a Canadian mineral exploration company focused on the acquisition, exploration and development of mineral projects in Canada.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company incurred a net loss and comprehensive loss of $417,600 for the six-month period ended June 30, 2024 (2023 - $1,444,673) and has an accumulated deficit of $12,514,194 (December 31, 2023 - $12,096,594) and is expected to incur further losses in the development of its business, all of which indicate there are material uncertainties that may cast significant doubt about its ability to continue as a going concern. As at June 30, 2024, the Company had a working capital deficit of $563,143 (December 31, 2023 – $556,865). These statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

a) Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023 which were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements have been prepared following the same accounting policies applied to the Company's audited financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

b) Basis of presentation

These condensed interim financial statements are prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Foreign currency translation

The Company's reporting and functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

d) Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

e) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Fair value of common shares issuance

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining the fair value of assets received when common shares are issued as consideration. If the fair value of assets received or services rendered cannot be reliably measured, the transaction will be recorded at the fair value of common shares issued on the date of issuance.

Impairment of Exploration and Evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

In respect of costs incurred for its exploration and evaluation assets, management has determined that the evaluation, development and related costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assets as June 30, 2024.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

e) Significant accounting judgments, estimates and assumptions (cont'd)

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, changes in subjective input assumptions can materially affect the fair value estimate.

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

3. RECEIVABLES AND PREPAID EXPENSES

		June 30, 2024		December 31, 2023
GST receivable	$	6,311	$	5,974
Prepaid expenses		488		5,249
Other (Note 4)		20,700		20,700
	$	27,499	$	31,923

4. EXPLORATION AND EVALUATION ASSETS

<u>*Fecteau Project*</u>

On November 21, 2022, and subsequently amended on February 1, 2023, the Company entered in an assignment and assumption agreement (the "Fecteau Agreement") among Opus One Resources Corp. ("Opus") and the two original optionors (the "Optionors") to acquire a 100% interest in the Fecteau Project located in the Province of Québec.

The Fecteau Project consists of one claim block containing 93 claims for a total of 5,979.02 hectares in the Urban-Barry Windfall mining district.

As consideration for this acquisition, the Company paid $60,000 as cash to Opus, $35,000 as cash to the Optionors and issued 185,185 common shares to the Optionors with a fair value of $46,296.

In addition, the Company has entered into a royalty agreement with the Optionors pursuant to which the Company granted:

(a) a 2.0% net smelter return royalty (the "Full Royalty") to the Optionors with respect to production of all precious metals from the mineral claims comprising the Fecteau Project, other than from certain excluded claims (the "Excluded Claims"); and

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Fecteau Property (cont'd)

(b) a 1.0% net smelter return royalty to the Optionors with respect to production of all precious metals from the Excluded Claims. At any time and at the sole discretion of the Company, the Company may reduce the Full Royalty from 2.0% to 1.0% by paying the Optionors or their permitted assign(s) a cash payment of $1,500,000.

In connection with the execution of the Fecteau Agreement, the Company paid an arm's length finder an aggregate of 250,000 common shares as finder's fee with a fair value of $41,250 during the year ended December 31, 2022.

Lithium381 Project

On December 6, 2022, the Company entered into an option agreement (the "Lithium Agreement") with Genius Metals Inc. ("Genius"), an arm's length public company listed on the TSX Venture Exchange, to earn an undivided 50% right, title, ownership and beneficial interest in the Lithium381 Project ("Lithium381" or "KM381") located in the Province of Québec.

Lithium381 comprises 21 mineral claims covering approximately 1107 hectares located in the James Bay Region of Northern Québec.

Pursuant to the Lithium Agreement, the Company must:

(a) incur and aggregate of $750,000 in exploration expenditures on or before December 31, 2024, inclusive of the deposit of $25,000 provided by the Company to Genius on November 25, 2022; and

(b) issue an aggregate of 720,000 common shares of the Company which will be subject to a voluntary escrow to be released as to 90,000 common shares every four months. – *Issued during the year ended December 31, 2022.*

During the year ended December 31, 2022 the Company issued 720,000 common shares to Genius with a fair value of $126,000.

In connection with the execution of the Lithium Agreement, the Company paid an arm's length finder an aggregate of 250,000 common shares as finder's fee with a fair value of $50,000 during the year ended December 31, 2022.

Newfoundland Properties

On August 23rd, 2022, the Company entered into an agreement (the "Newfoundland Agreement") with two arm's length vendors, to acquire the Eddies Cove MVT Project ("Eddies Coves"), the Harp Lake Nickel Project ("Harp Lake"), and the Hare Bay Nickel Project ("Hare Bay"), together (the "Newfoundland Properties").

Eddies Cove comprises of 450 ha of mineral claims and is located 57 kilometres west of the town of Saint Anthony in Northwestern Newfoundland.

Harp Lake Property that comprises of 3,452.5 ha of mineral claims and is located in the Central Northern Labrador, 100 kilometres West of Hopedale and 100 kilometres South-West of Natuashish and 210 kilometres Northwest of Goose Bay.

Hare Bay is located 15 kilometres West of St. Anthony, North-Western Newfoundland and has 750 ha of mineral claims.

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland Properties (cont'd)

As consideration for this acquisition, the Company paid $15,000 as cash and issued 4,000,000 common shares with a fair value of $520,000 which was allocated proportionally among the three properties based on the total hectares. The Newfoundland Properties are in different geographic locations and are therefore considered to be separate CGU's.

As at June 30, 2024, the Company held $27,600 (December 31, 2023 - $27,600) in deposits with the Government of Newfoundland. The deposits were required in lieu of work commitments on several mineral licenses.

Upon completion of the work commitment and submission of an assessment report the deposit will be returned to the Company.

The Company elected to abandon the Harp Lake Nickel Project and consequently wrote-off all capitalized acquisition costs of $397,009 during the year ended December 31, 2023.

Gretna Green Project

On July 5, 2020, the Company acquired the Gretna Green Project, which is comprised of one mineral claim located 24 kilometres southwest of Port Alberni, British Columbia. As consideration for the acquisition, the Company paid $3,333 cash, and issued 416,666 common shares with a fair value of $158,333 to an arm's length private company.

Tyber Project

On July 5, 2020, the Company acquired the Tyber Project, which is comprised of one mineral claim located 1.4 kilometres south of Arrowsmith Lake, British Columbia. As consideration for the acquisition, the Company paid $3,333 cash, and issued 416,667 common shares with a fair value of $158,333 to an arm's length private company.

Empirical Project

The Empirical Project ("Empirical") consists of six unpatented mineral claims which are located in the Lillooet Mining Division of British Columbia, Canada.

As consideration for the acquisition, the Company paid an aggregate of $53,334 cash, issued an aggregate of 2,416,667 common shares with an aggregate fair value of $168,334. The Company also paid $7,013 in staking fees.

The Company elected to abandon the Empirical Project and wrote-off capitalized costs of $228,681 during the year ended December 31, 2023.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following table is a reconciliation of exploration and evaluation assets for the period ended June 30, 2024 and the year ended December 31, 2023.

	Acquisition costs December 31, 2022	Additions Cash	Additions Shares	Impairment	Acquisition costs December 31, 2023 and June 30, 2024
Lithium381	$ 176,000	$ -	$ -	$ -	$ 176,000
Fecteau Project	101,250	35,000	46,296	-	182,546
Empirical Project	228,681	-	-	(228,681)	-
Gretna Project	161,666	-	-	-	161,666
Tyber Project	161,666	-	-	-	161,666
Eddies Cove Project	51,747	-	-	-	51,747
Harp Lake Project	397,009	-	-	(397,009)	-
Hare Bay Project	86,244	-	-	-	86,244
	$ 1,364,263	$ 35,000	$ 46,296	$ (625,690)	$ 819,869

During the six-month period ended June 30, 2024, the Company incurred exploration costs as follows:

Exploration Expenditures	Lithium381	Fecteau Project	Total
Drilling	$ -	$ 14,400	$ 14,400
Licences and permits	5,250	5,358	10,608
	$ 5,250	$ 19,758	$ 25,008

During the six-month period ended June 30, 2023, the Company incurred exploration costs as follows:

Exploration Expenditures	Fecteau Project	Lithium381	Gretna Green Project	Tyber Project	Total
Administration	$ -	$ -	$ 2,463	$ 1,801	$ 4,264
Assays	-	-	-	279	279
Database Maintenance	480	480	-	-	960
Drilling	18,018	-	-	-	18,018
Field expenditures	-	9,925	151	124	10,200
Geological consulting	-	-	10,225	10,225	20,450
Licences and permits	3,875	5,602	-	-	9,477
Meals and lodging	-	-	840	710	1,550
Mobilization	-	-	3,000	3,000	6,000
Survey	35,000	5,075	-	-	40,075
Transportation	-	-	490	3,669	4,159
	$ 57,373	$ 21,082	$ 17,169	$ 19,808	$ 115,432

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2024		December 31, 2023
Accounts payable (Note 8)(1)(2)	$	477,166	$	506,894
Accrued liabilities(3)		118,065		102,454
	$	595,231	$	609,348

(1) During the period ended June 30, 2024, the Company settled $239,082 of debt with two creditors (Note 6) and recognized a loss on settlement of debt of $119,541.

(2) During the year ended December 31, 2023, the Company entered a debt settlement agreement with a vendor and recognized a gain on settlement of debt of $8,924.

(3) During the year ended December 31, 2023, the Company returned certain surface rights to the original property owners in settlement of $100,000 of outstanding acquisition payments.

6. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common and preferred shares without par value.

Escrowed shares

As at June 30, 2024, the Company had 360,000 shares in escrow. Increments of 90,000 shares will be released every four months beginning August 6, 2024.

These escrow shares may not be transferred, assigned, or otherwise dealt without the consent of regulatory authorities.

Share issuances

Six-month period ended June 30, 2024

- On March 27, 2024, the Company settled $239,082 in debt, pursuant to which the Company issued 5,977,033 units with a fair value of $358,622 and consequently recognized a loss on settlement of debt of $119,541.

  Each unit consists of one common share in the capital of the Company and one share purchase warrant, with each warrant entitling the holder thereof to acquire one additional share on or before March 27, 2025 at an exercise price of $0.05 per warrant share.

- On June 7, 2024, the Company issued 1,700,000 common shares with a fair value of $68,000 upon vesting of 1,700,000 Restricted Share Unit's ("RSU") in accordance with the Company's Long Term Incentive Plan ("LTIP").

Year ended December 31, 2023

Shares issued for Québec Properties

On February 2, 2023, the Company issued 185,185 common shares with a fair value of $46,296 as project acquisition cost pursuant to the Fecteau Agreement (Note 4).

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (cont'd)

Shares issued on vesting of Restricted Share Unit's

On June 7, 2023, the Company issued 2,500,000 common shares with a fair value of $375,000 upon vesting of 2,500,000 RSU's in accordance with the Company's LTIP.

Warrants

The following is a summary of the Company's warrant activity:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022 and December 31, 2023	**10,000,000**	**$ 0.06**
Issuance	5,977,033	0.05
Balance, June 30, 2024	**15,977,033**	**$ 0.06**

As of June 30, 2024, the Company had 15,977,033 warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
March 27, 2025	0.05	0.74	5,977,033	5,977,033
December 28, 2025*	0.06	1.50	10,000,000	10,000,000
	0.06	**1.21**	**15,977,033**	**15,977,033**

*The warrants were originally issued on December 28, 2022 with an exercise price of $0.12 and an expiry date of December 28, 2025. On December 4, 2023, the exercise price was repriced to $0.06.

Agent options

The following is a summary of the Company's agent options activity:

	Number of agent options	Weighted average exercise price
Balance, December 31, 2022, December 31, 2023 and June 30, 2024	**51,000**	**$ 0.12**

As of June 30, 2024, the Company had 51,000 agent options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of agent options outstanding	Number of agent options exercisable
December 28, 2025	0.12	1.50	51,000	51,000

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (cont'd)

Options (cont'd)

The following is a summary of the Company's options activity:

	Number of options	Weighted average exercise price	
Balance, December 31, 2022	**3,200,000**	**$**	**0.69**
Granted	350,000		0.11
Cancelled	(1,600,000)		1.23
Balance, December 31, 2023 and June 30, 2024	**1,950,000**	**$**	**0.13**

As of June 30, 2024, the Company had options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of options outstanding	Number of options exercisable
December 7, 2025	0.14	1.44	1,600,000	1,600,000
April 4, 2026	0.265	1.76	50,000	50,000
December 4, 2026	0.09	2.43	300,000	300,000
		1.60	**1,950,000**	**1,950,000**

During the year ended December 31, 2023, the Company

a) issued 50,000 share options to a consultant of the Company. Each option is exercisable at $0.265 per share until April 4, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $6,085 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.215 exercise price- $0.265, expected life – 3 years, volatility – 94.94%, dividend yield - $0, and risk-free rate – 3.33%.

b) issued 300,000 share options to a director of the Company. Each option is exercisable at $0.09 per share until December 4, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $6,960 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.04 exercise price- $0.09, expected life – 3 years, volatility – 117.20%, dividend yield - $0, and risk-free rate – 5.00%.

Restricted Share Units

The Company has a LTIP. RSU's granted under the LTIP entitles directors, officers or employees to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant.

During the year ended December 31, 2023, the Company granted an aggregate of 1,700,000 RSUs which vest on April 4, 2024. For the period ended June 30, 2024, the Company recognized $52,700 (2023 - $325,000) in share-based compensation related to the vesting of the RSUs.

7. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The Company’s cash is deposited in bank accounts held with major banks in Canada.

As most of the Company’s cash is held by the banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity issuances. 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.

As at June 30, 2024, the Company had cash of $4,589 (December 31, 2023 - $20,560) to settle $595,231 (December 31, 2023 - $609,348) in accounts payable and accrued liabilities that are due within 90 days of period-end.

Currency risk

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at June 30, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders’ equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements and there were no changes in the Company’s capital management during the period ended June 30, 2024.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

7. FINANCIAL RISK MANAGEMENT (cont'd)

Fair value hierarchy

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

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

The fair value of the Company's financial instruments which includes cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these financial instruments.

8. RELATED PARTY TRANSACTIONS

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

As at June 30, 2024, $399,504 (December 31, 2023 - $264,734) was included in accounts payable and accrued liabilities owing to directors, officers, and companies controlled or affiliated with directors and officers of the Company. Amounts due to related parties consist of charges accrued for accounting fees, consulting fees, corporate advisory fees, and exploration and evaluation costs. These amounts are due to a director and two companies controlled by two directors. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company has identified all directors and officers as its key management personnel. The following are the transactions with related parties during the six-month period ended June 30, 2024 and 2023:

For the six-month period ended,		**June 30, 2024**		**June 30, 2023**
Professional fees to a company controlled by a Director and CEO of the Company	$	60,000	$	60,000
Director fees to a company controlled by a Director of the Company		13,500		9,000
Director fees paid to a current Director of the Company		12,000		1,500
Director fees paid to a former Director of the Company		-		12,000
Accounting fees to a company that employs the CFO of the Company		30,000		30,000
Rent costs to a company controlled by a Director and CEO of the Company.		-		24,000
Exploration expenditures charged by a company controlled by a Director and CEO of the Company		-		6,000
Share based payments to officers and directors of the Company		6,244		234,000
	$	121,744	$	376,500

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the six-month period ended June 30, 2024, the Company:

- settled $239,082 of debt, pursuant to which 5,977,033 units of the Company were issued (Note 6). The Company recognized a loss on settlement of debt of $119,541 in connection with the debt settlement agreements.

- issued 1,700,000 common shares with a fair value of $68,000 upon vesting of 1,700,000 RSU's (Note 6).

During the six-month period ended June 30, 2023, the Company:

- issued 185,185 common shares with a fair value of $46,296 as project acquisition costs pursuant to the Fecteau Agreement.

- issued 2,500,000 common shares with a fair value of $325,000 upon vesting of 2,500,000 RSU's (Note 6).

During the six-month period ended June 30, 2024, the Company paid $nil (2023 - $nil) in interest and taxes.

10. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at June 30, 2024, all the Company's assets were located in Canada.

11. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2024, the Company accelerated the expiry of 10,000,000 $0.06 warrants previously expiring on December 28, 2025, such that the warrants will expire on September 7, 2024, being 30 days following the date on which the Company provided notice to the holders of the warrants of the acceleration.

Following the warrant acceleration, the Company issued 1,750,000 common shares upon the exercise of 1,750,000 warrants and received gross proceeds of $105,000.