Condensed Financial Statements

Mayo Lake Minerals Inc.

(unaudited)

September 30, 2024

The accompanying interim financial statements of Mayo Lake Minerals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors has reviewed and approved these interim financial statements.

Contents

Mayo Lake Minerals Inc.

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars) - unaudited As at		**September 30, 2024**		December 31, 2023
Assets				
Current				
Cash and cash equivalents	**$**	**1,860**	$	1,630
Sales tax receivable		**16,778**		10,993
Prepaid expenses		**-**		5,186
Total current assets		**18,638**		17,809
Mineral exploration and evaluation assets (Note 4)		**5,823,076**		5,783,677
Total assets	**$**	**5,841,714**	$	5,801,486
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**531,380**	$	451,677
Flow through share premium liability (Note 5)		**13,547**		13,547
Note payable (Note 6)		**-**		32,500
Due to related parties (Note 8)		**-**		273,924
Total current liabilities		**544,927**		771,648
Long-Term				
Government assistance (Note 7)		**60,000**		60,000
Note payable (Note 6)		**35,875**		-
Due to related parties (Note 8)		**95,291**		-
Total long-term liabilities		**191,166**		60,000
Total liabilities		**736,093**		831,648
Shareholders' equity				
Capital stock (Note 9)		**7,746,235**		7,516,365
Share subscriptions (Notes 9)		**-**		29,612
Warrants (Note 9)		**1,283,038**		873,687
Contributed surplus		**785,219**		537,344
Accumulated deficit		**(4,708,871)**		(3,987,170)
Total shareholders' equity		**5,105,621**		4,969,838
Total liabilities and shareholders' equity	**$**	**5,841,714**	$	5,801,486

Going concern (Note 2)
Subsequent events (Note 12)

Approved on behalf of the Board

____________________ Director ____________________ Director

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars) - unaudited
For the three and nine months ended September 30, 2024 and 2023

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Expenses				
General and administration	$ **54,894**	$ 52,566	$ **172,011**	$ 175,410
Investor relations and promotion	**37,639**	28,653	**196,810**	88,299
Legal and regulatory	**14,213**	23,856	**40,127**	53,031
Professional fees	**1,000**	1,000	**34,500**	32,500
Property evaluation	-	1,482	**231**	7,116
Share based compensation	**11,184**	35,532	**260,999**	174,378
Interest and bank charges	**315**	167	**905**	495
Interest on promissory notes	**4,080**	5,473	**16,118**	16,800
Interest discounting expense	**-**	-	**-**	10,800
	123,325	148,729	**721,701**	558,829
Other Income				
Interest income	**-**	-	**-**	35
Net loss and comprehensive loss	$ **(123,325)**	(148,729)	**(721,701)**	$ (558,794)
Weighted average number of common shares	**100,584,350**	93,071,942	**100,584,350**	93,071,942
Basic and diluted loss per share	**(0.0012)**	(0.0022)	**(0.0072)**	(0.0044)

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars) - unaudited

	Capital stock		Reserves				
	Shares	Amount	Non-issued Shares	Warrant reserves	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2022	**93,971,237**	**$ 7,445,273**	**-**	**$ 765,052**	**$ 337,959**	**$(3,223,302)**	**$ 5,324,982**
Private placement, net of issuance costs (note 9)	1,716,700	53,332	-	48,619	-	-	**101,951**
RSU issuance expense	-	-	-	-	33,213	-	**33,213**
RSU issuance of shares	253,733	17,760	-	-	(17,760)	-	-
DSU quarterly expense	-	-	-	-	8,966	-	**8,966**
Stock option expense	-	-	-	-	132,198	-	**132,198**
Expiry of warrants	-	-	-	(27,920)	27,920	-	-
Net loss and comprehensive loss	-	-	-	-	-	(558,794)	**(558,794)**
Balance, September 30, 2023	**95,941,670**	**$ 7,516,365**	**$ -**	**$ 785,751**	**$ 522,496**	**$(3,782,096)**	**$ 5,042,516**
Private placements, net of issuance costs (note 9)	-	-	29,612	88,888	-	-	**118,500**
RSU issuance expense	-	-	-	-	3,895	-	**3,895**
RSU issuance of shares	-	-	-	-	-	-	**-**
DSU quarterly expense	-	-	-	-	2,989	-	**2,989**
Stock options issuance	-	-	-	-	7,012	-	**7,012**
Expiry of warrants	-	-	-	(952)	952	-	-
Net loss and comprehensive loss	-	-	-	-		(205,074)	**(205,074)**
Balance, December 31, 2023	**95,941,670**	**$ 7,516,365**	**$ 29,612**	**$ 873,687**	**$ 537,344**	**$(3,987,170)**	**$ 4,969,838**
Share issuance (December placement)	1,975,001	29,612	(29,612)	-	-	-	-
Private placements, net of issuance costs (note 9)	9,941,401	187,134	-	409,351	-	-	596,485
RSU quarterly expense	-	-	-		5,009	-	**5,009**
RSU issuance of shares	187,483	13,124	-	-	(13,124)	-	-
DSU quarterly expense	-	-	-		12,136	-	**12,136**
Stock option quarterly expense	-	-	-	-	243,854	-	**243,854**
Net loss and comprehensive loss	-	-	-	-	-	(721,701)	**(721,701)**
Balance, September 30, 2024	**108,045,555**	**$ 7,746,235**	**$ -**	**$ 1,283,038**	**785,219**	**$(4,708,871)**	**$ 5,105,621**

See accompanying notes to the financial statements

Mayo Lake Minerals Inc.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars) - unaudited

For the nine months ended September 30		2024		2023
Cash flows from operating activities				
Net loss	**$**	**(721,701)**	$	(558,794)
Items not affecting cash:				
Accretion expense		-		10,800
Share based compensation		**260,999**		-
Accrued interest		**6,075**		10,434
Change in non-cash working capital items:				
Prepaid expenses		**5,185**		10,034
Sales tax receivable		**(5,785)**		3,829
Accounts payable and accrued liabilities		**79,704**		206,493
Net cash used in operating activities		**(375,523)**		(317,204)
Cash flows used in investing activities:				
Exploration and evaluation expenditures		**(39,398)**		(24,164)
Net cash used in investing activities		**(39,398)**		(24,164)
Cash flows from financing activities:				
Demand notes payable		**-**		-
Repayment related party note		**(181,334)**		(19,710)
Issuance of capital stock and warrants net		**596,485**		276,330
Share subscriptions		-		82,500
Net cash from financing activities		**415,151**		339,120
Increase in cash and cash equivalents		**230**		(2,248)
Cash and cash equivalents, beginning of period		**1,630**		3,720
Cash and cash equivalents, end of period	**$**	**1,860**	$	1,472

1. Nature of business

Mayo Lake Minerals Inc. (referred to herein as the "Company") is an exploration stage junior mining company that was incorporated on September 7, 2011 under the laws of Ontario, Canada. The Company is engaged in the identification, evaluation and exploration of mineral properties in Yukon, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from the disposition of the properties.

The Company became a reporting issuer on December 15, 2021 with its registered office at 110 Westhunt Drive, Unit 2, Carp (Ottawa), Ontario, Canada. The Company became listed on the CSE on May 5, 2022.

2. Going concern

The Company is an exploration stage company. At present, its operations do not generate cash flow. The Company incurred a net loss of $721,701 during the nine months ended September 30, 2024 (September 30, 2023 - $558,794) and, as of that date, its accumulated deficit was $4,708,871 (December 31, 2023 - $3,987,170) and its working capital stood at a deficiency of $526,289 (September 30, 2023 – deficiency of $538,614).

The Company's ability to continue as a going concern in 2024 and beyond is dependent on its capacity to obtain adequate financing on reasonable terms from investors and lenders in order to explore and develop its assets; and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to successfully do so in the future. These factors indicate the existence of material uncertainty which may cast some doubt on its ability to continue as a going concern in the future. After reviewing the current cash position and having considered the Company's ability to raise funds in the short term, the directors have adopted the going concern basis in preparing its financial statements.

The ability of the Company to recover the costs it has incurred to date on exploration and evaluation is dependent upon it being able to identify a commercial ore body, finance further exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of its assets.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

3. Basis of presentation, critical accounting, judgements and key estimation uncertainties

Basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023.

These condensed interim financial statements were approved by the Board of Directors on November XX, 2024.

The accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023 and as discussed below.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in Note 2 of the Company's audited financial statements for the year ended December 31, 2023 and as discussed below.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Critical accounting estimates and judgments and key estimation uncertainties

The preparation of the financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. 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 may differ from these estimates. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include but are not limited to, the following:

3. Basis of presentation, critical accounting, judgements and key estimation uncertainties (continued)

Share-based payments and share purchase warrants - The fair value of share-based payments and compensation 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, including the volatility of share prices from similar types of companies, changes in subject input assumptions can materially affect the fair value estimate. The Black Scholes model incorporated inputs such as the risk-free rate, volatility by reference to comparable companies, estimated life and forfeiture rate.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral exploration and evaluation assets – The assessment of impairment of mineral exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral property interests are budgeted and results of exploration activities up to the reporting date. The Company has determined that there are no indicators of impairment.

Deferred Taxes – Until such time as the Company has relative certainty with respect to future profits, both deferred tax assets and liabilities are not recognized.

4. Mineral exploration and evaluation assets

A summary of the changes in exploration and evaluation assets is presented below for the periods ending September 30, 2023, December 31 2023 and September 30, 2024.

	Anderson-Davidson	Edmonton	Cascade	Carlin-Roop	Trail-Minto	Total
Balance, December 31, 2022	**$ 1,970,559**	**$ 489,627**	**$ 66,859**	**$ 2,647,921**	**$ 649,972**	**$ 5,824,938**
Expenditures:						
Claim fees	3,795	427	-	2,463	-	6,685
Exploration	3,301	585	-	13,593	-	17,479
Balance, September 30, 2023	**$ 1,977,655**	**$ 490,639**	**$ 66,859**	**$ 2,663,977**	**$ 649,972**	**$ 5,849,102**
Expenditures:						
Claim fees	-	-	-	-	-	-
Exploration	575	-	-	859	-	1,434
Property write off	-	-	(66,859)	-	-	(66.859)
Balance, December 31, 2023	**$ 1,978,230**	**$ 490,639**	**$ -**	**$ 2,664,836**	**$ 649,972**	**$ 5,783,677**
Expenditures:						
Claim fees	39,165	-	-	-	-	39,165
Exploration	234	-	-	-	-	234
Balance, September 30, 2024	**$ 2,017,629**	**$ 490,639**	**$ -**	**$ 2,664,836**	**$ 649,972**	**$ 5,823,076**

Yukon Property Acquisitions

The Company entered into binding letter agreements with Auropean Ventures Inc. (Auropean), a related company, in December of 2011 (amended in July 2014) for the acquisition of the Anderson, Davidson and Edmonton Creek claim groups and in February 2012 for the acquisition of the Roop and Trail-Minto claim groups and April 2012 for the Carlin claim group. The vendor retained a 2.75% net smelter return royalty (NSR) on the Anderson, Roop and Trail-Minto claim groups and a 2.5% NSR on the Davidson and Edmonton and Carlin claim groups. The NSRs are subject to a 1% buyback.

All of the NSR buybacks are applicable at any time up to commercial production. Any full 1% NSR can be bought back for $1M if gold is at $1,000 per ounce or less; $2M if gold is at $3,000 per ounce or more with a sliding scale between $1,000 and $3,000 per ounce. A buyback can be exercised in increments of 0.5%.

5. Flow through share premium liability

Closing balance – December 31, 2022	**$**	**14,487**
Issuance of flow through shares		-
Flow through premium recovery		-
Closing balance – September 30, 2023	$	**14,487**
Issuance of flow through shares		-
Flow through premium recovery		(940)
Closing balance – December 31, 2023	**$**	**13,547**
Issuance of flow through shares		-
Flow through premium recovery		-
Closing balance – September 30, 2024	$	**13,547**

6. Demand notes payable

The Company issued a promissory note in the amount of $25,000 on September 2, 2021 bearing interest at the rate of 1.5% per month. Both the principal and interest originally due on June 30, 2023 has been extended to June 30, 2025. The note may be prepaid at the option of the Company.

Opening balance – January 1, 2023	**$**	**31,000**
Accrued interest		3,375
Interest paid		(3,000)
Closing balance – September 30, 2023	**$**	**31,375**
Accrued interest		1,125
Closing balance – December 31, 2023	**$**	**32,500**
Accrued Interest		3,375
Closing balance – September 30, 2024	**$**	**35,875**

Interest of $3,375 (2023 - $3,375) on the promissory note was expensed during the nine-month period ended September 30, 2024.

7. Government Assistance

On July 23, 2020, the Company received the Canadian Emergency Business Account (CEBA) in the amount of $40,000. On December 22, 2020, the Company received the CEBA top-up in the amount of $20,000. CEBA is a government program providing interest-free loans to small businesses. Repaying the balance of the loan on or before December 31, 2023 would have resulted in loan forgiveness of 33 percent (up to $20,000). The Company had the possibility to apply for an extension to March 28, 2024. Since it did not receive such an extension, the loan was converted to a term loan maturing on December 31, 2026, bearing interest at 5% per annum. The Company will only be required to pay monthly 5% interest on the full outstanding balance.

8. Related party transactions and key management compensation

The Company has contracts for management and geological services provided by key management, namely officers, administrators and directors of the Company either directly or indirectly through companies controlled or influenced by them. In addition, key management or their related companies may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions are recorded at their fair value as agreed between all parties.

- Dr. Vern Rampton, President and CEO, provides management services to the Company through Rampton Resource Group Inc.('RRG'), his personal services corporation. RRG also provides accessory office facilities plus an office manager/bookkeeper through contracts negotiated within consideration of competitive prices. All expenses are passed through to the company at minimal mark-up.

- Tyrell Sutherland, Vice-President Exploration, provides management & geological services to the Company through Sans Peur Exploration Services Inc. his solely owned personal services corporation.

- Darrell Munro, Corporate Administrator, provides investor relations and administrative services through his sole proprietorship.

- Andre Rancourt, CFO, provides accounting services through his sole proprietorship.

- Lee Bowles, Manager Business Development, provides financial & advisory services through Ironstone Capital Corporation Inc. his personal services corporation.

Related party promissory notes.

Opening balance – January 1, 2023	**$ 235,446**
Repayments of notes	(23,075)
Accrued interest	13,291
Fair value expense	10,800
Closing balance – September 30, 2023	**$ 236,462**
Issuance of notes	33,000
Accrued interest	4,462
Fair value adjustment	-
Closing balance – December 31, 2023	**$ 273,924**
Repayment of notes	(156,451)
Payment of interest	(32,940)
Accrued interest	10,758
Closing balance – September 30, 2024	**$ 95,291**

- On June 18, 2021 the Company issued a series of promissory notes totalling $101,000 bearing interest at 6% per annum to certain members of the management team in lieu of payment for services rendered. A total of $16,000 of the principal was repaid in 2022 and $5,000 in May of 2024. The remaining principal totalling $80,000 plus interest originally due on June 30, 2023 has been extended to June 30, 2025.

- Auropean Ventures Inc. ('Auropean') was formerly designated as an insider, having previously held more than 10% of the outstanding shares of the Company. It has periodically provided credit to the Company. On October 31, 2022 Auropean Ventures Inc. relinquished its status as an insider when its shareholdings fell slightly below 10% of the Company's outstanding shares.

- The President and CEO through his wholly owned corporation Rampton Resource Group Inc. and the Company's Corporate Administrator provide services to Auropean Ventures Inc. ('**Auropean**').

8. Related party transactions and key management compensation (continued)

- The President & CEO and two directors of the Company are also the sole directors of Auropean.

- On November 12, 2021, the directors passed a resolution approving the borrowing of up to $150,000 from Auropean at a rate of 10% per annum. This promissory note and interests have been repaid in full in May of 2024.

- On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at $0.15 for a period of 5 years from the date of issuance. The options vest in three equal segments of 1,330,000 (August 1, 2022, August 1, 2023 and August 1, 2024).

- On September 30, 2022 the Company awarded 930,158 options exercisable at $0.15 for a period of 3 years from the date of issuance and 628,699 Restricted Share Units (RSUs) to management, directors, consultants and contractors for their dedication to the company and more specifically to supplement their compensation for fiscal 2021 as well as the period up to the Company's public listing in May of 2022. Both the options and RSUs vest in three separate equal segments, namely January 30 of 2023, 2024 and 2025.

- On December 12 and December 18, 2023, the Company issued 2 promissory notes of $18,000 and $15,000 respectively bearing interest at the rate of 1% per month, payable to the President and CEO of the Company. Both the principal and interest were originally due and payable on April 12 and April 18, 2024 respectively and have been extended to June 30, 2025. These notes and corresponding interests have been repaid in full in September of 2024.

- On May 3, 2024 the Company issued of a total of 4,333,631 options to certain officers, employees and consultants (Recipients) of the Company in lieu of cash compensation as part of its ongoing efforts to incentivize its personnel without depleting cash resources. These options were related to performance of the Recipients for the period beginning July 1, 2022 and ending December 31, 2023. Each option is exercisable into one common share at a price of $0.10 for a period of 5 years from the date of issuance. Two independent directors of the Company were awarded a total of 502,200 Deferred Share Units (DSUs); each Unit will vest in the name of the grantee on his retirement from the board and automatically be converted into one common share. The Company's independent directors do not receive cash compensation.

- Interest expense on the amounts due to related parties during the nine months ending September 30, 2024 totalled $10,758 (September 30, 2023 - $13,291).

Compensation to related parties for period ended September 30,	2024	2023
Compensation and contract fee expense of key management	**249,296**	279,867
Value of DSUs/RSUs with officers and directors expensed (note 9)	**17,135**	8,966
Value of stock options with officers and directors expensed (note 9)	**243,854**	150,264

Accruals and payables owed to related parties at September 30,	2024	2023
Rampton Resource Group Inc.	**118,123**	102,092
Sans Peur Exploration Services Inc.	**52,800**	48,000
Andre Rancourt	**5,250**	3,950
Darrell Munro	**93,110**	32,860
Ironstone Capital Corp.	**104,500**	50,000
Total	**373,783**	236,902

9. Capital stock

Authorized
Unlimited number of common shares

Share capital

	Number of Shares		Amount
Balance, December 31, 2022	**93,971,237**	**$**	**7,445,273**
Share issuance on vesting of Restricted Share Units (i)	253,733		17,760
Private placement (iii)	1,716,700		54,382
Issuance costs	-		(1,050)
Balance, September 30, 2023	**95,941,670**	**$**	**7,516,365**
Balance, December 31, 2023	**95,941,670**	**$**	**7,516,365**
Private placement: issuance of shares from 2023 (v)	1,975,001		29,612
Share issuance on vesting of Restricted Share Units (vii)	187,483		13,124
Private placement (viii)	701,667		22,475
Private placement (ix)	6,906,400		108,672
Private placement (x)	2,333,334		55,987
Balance, September 30, 2024	**108,045,555**	**$**	**7,746,235**

Share capital - shares to be issued	**Number of Shares**		**Amount**
Private placement (v)	1,975,001		29,612
Balance, December 31, 2023	**1,975,001**	**$**	**29,612**
Private placement (v)	(1,975,001)		(29,612)
Balance, September 30, 2024	**-**	**$**	**-**

(i) On January 30, 2023, the Company issued 243,352 common shares upon the vesting of 253,733 RSUs, with the balance of 10,381 shares issued prior to June 30, 2023.

(ii) On March 30, 2023, 533,193 warrants expired with a previously recorded value of $18,282.

(iii) On March 31, 2023, the Company closed a Common Share Private Placement for 1,716,700 Common Share Units at $0.06 per Unit totalling $103,002. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at $0.10 expiring on March 31, 2026. The 1,716,700 warrants were valued at $48,015 using the Black Scholes valuation model, the inputs of which are disclosed below. In conjunction with the offering, the Company paid finder’s fees of $1,050 and granted 17,500 Broker Unit Warrants in relation to the common share offering. Each Broker Unit Warrant was exercisable into one common share at $0.06 expiring March 31, 2023. The Broker Unit Warrants were valued at $606 using the Black-Scholes valuation model, the inputs of which are disclosed below.

(iv) On July 30, 2023, 410,800 warrants expired with a previously recorded value of $9,638.

(v) On December 29, 2023, the Company closed a Common Share Private Placement for 1,975,001 Common Share Units at $0.06 per Unit totalling $118,500. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at $0.09 expiring on December 29, 2027. The 1,975,001 warrants were valued at $88,888 using the Black Scholes valuation model, the inputs of which are disclosed below. The shares were subsequently issued on February 12, 2024.

(vi) On December 30, 2023, 40,625 warrants expired with a previously recorded value of $953.

9. Capital stock (continued)

(vii) On January 30, 2024, the Company issued 187,483 common shares upon the vesting of 187,483 RSUs.

(viii) On March 8, 2024, the Company closed a Private Placement for 701,667 Common Share Units at $0.06 per Unit totalling $42,100. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at $0.09 expiring on March 8, 2028. The 701,667 warrants were valued at $19,625 using the Black Scholes valuation model, the inputs of which are disclosed below.

(ix) On May 3, 2024, the Company closed a Common Share Private Placement for 6,906,400 Common Share Units at $0.06 per Unit totalling $414,384. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at $0.09 expiring on May 3, 2028. The 6,906,400 warrants were valued at $305,712 using the Black Scholes valuation model, the inputs of which are disclosed below.

(x) On September 30, 2024, the Company closed a Common Share Private Placement for 2,333,334 Common Share Units at $0.06 per Unit totalling $140,000. Each Unit consists of one common share and one whole common share purchase warrant. Each whole warrant is exercisable into one common share at $0.09 expiring on September 30, 2028. The 2,333,334 warrants were valued at $84,014 using the Black Scholes valuation model, the inputs of which are disclosed below.

Warrants and Broker Warrants

	Number of Warrants		Amount
Balance, December 31, 2022	**21,244,466**	**$**	**765,052**
Expired – warrants (ii)	(533,193)		(18,282)
Granted – private placement common (iii)	1,716,700		48,015
Granted – Broker Unit Warrants (iii)	17,500		606
Balance, June 30, 2023	**22,445,473**	**$**	**795,391**
Expired – warrants (iv)	(410,800)		(9,639)
Granted – private placement common (v)	1,975,001		88,888
Expired – warrants (vi)	(40,625)		(953)
Balance, December 31, 2023	**23,969,049**	**$**	**873,687**
Granted – private placement common (viii)	701,667		19,625
Granted – private placement common (ix)	6,906,400		305,712
Granted – private placement	2,333,334		84,014
Balance, September 30, 2024	**33,910,450**	**$**	**1,283,038**

Warrants Exercisable and Outstanding at September 30, 2024	Exercise Price	Expiry date
12,529,725	$0.15	November 5, 2024
1,001,670	$0.18	December 30, 2024
3,143,853	$0.20	December 30, 2024
1,318,517	$0.18	March 15, 2025
786,319	$0.18	May 4, 2025
83,500	$0.24	May 4, 2025
716,670	$0.20	August 30, 2025
1,716,700	$0.10	March 31, 2026
1,975,001	$0.09	December 29, 2027
701,667	$0.09	March 8, 2028
6,906,400	$0.09	May 3, 2028
2,333,334	$0.09	September 30, 2028
Total 33,213,356		

9. Capital stock (continued)

Broker Unit Warrants Exercisable and Outstanding at September 30, 2024		Exercise Price	Expiry date
	218,757	$0.12	November 5, 2024
	14,584	$0.12	December 30, 2024
	352,919	$0.15	December 30, 2024
	93,334	$0.12	August 30, 2025
	17,500	$0.06	March 31, 2026
Total	**697,094**		

Summary of assumptions in the valuation of warrants as of June 30, 2024 and December 31, 2023.

Risk-free interest rate	3.038% - 3.651%
Volatility based on comparable companies	93.68%-96.23%
Expected dividend	0%
Forfeiture	0%
Expected option life	3-4 years

Stock Options

The Company's Stock Option Plan provides supplemental compensation to directors, officers, employees and service providers. The number of options available for issuance at any one time is subject to a maximum of 10% of the total number of issued and outstanding common shares. All issuances, including the vesting and exercise periods are designated by the Board.

	Number of Options	Exercise price	Value
Balance, December 31, 2021	-	-	-
Granted	3,990,000	$0.15	$173,784
Granted	930,158	$0.15	$ nil
Balance December 31, 2022	4,920,158	$0.15	$173,784
Expensed at June 30, 2023			$103,549
Exercisable at June 30, 2023	1,640,053	$0.15	$277,333
Expensed at December 31, 2023			$35,661
Balance at December 31, 2023	4,920,158	$0.15	$312,994
Exercisable at December 31, 2023	2,970,053	$0.15	$312,994
Granted	4,333,631	$0.10	
Expensed at September 30, 2024			$243,854
Balance at September 30, 2024	3,280,106	$0.15	$345,251
Balance at September 30, 2024	4,333,631	$0.10	$205,859
Exercisable at September 30,2024	7,613,737	$0.10-$0.15	$551,110

On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at $0.15; valid for a period of 5 years from the date of issuance. They vest in three separate equal segments of 1,330,000 (August 1, 2022, 2023 and 2024). Each tranche is expensed over its complete vesting period.
The fair value of all options was estimated of the date of grant using the Black-Scholes option pricing model with the following assumption: Risk free interest rate 2.96%, a volatility based on comparable companies of 93.68% with an expected option life 5 years.

On September 30, 2022 the Company awarded 930,158 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at $0.15; valid for a period of 3 years from the date of issuance. They vest in three separate equal segments of 310,053 (January 30, 2023, 2024 and 2025). Each tranche is expensed over its complete vesting period.
The fair value of the options was estimated as of the date of grant using the Black-Scholes option pricing model with the following assumption: Risk free interest rate 3.55%, a volatility based on comparable companies of 106.5% with an expected option life 3 years.

9. Capital stock (continued)

On May 3, 2024 the Company issued of a total of 4,333,631 options to certain officers, employees and consultants (Recipients) of the Company in lieu of cash compensation as part of its ongoing efforts to incentivize its personnel without depleting cash resources. Each option is exercisable into one common share at a price of $0.10 for a period of 5 years from the date of issuance.

The fair value of the options was estimated as of the date of grant using the Black-Scholes option pricing model with the following assumption: Risk free interest rate 3.651%, a volatility based on comparable companies of 93.68% with an expected option life 5 years.

Restricted Share Units (RSUs) and Deferred Share Units (DSUs)

The Company's Restricted Share Unit and Deferred Share Unit Plan (Plan) is used to compensate participants for their contribution to overall corporate performance as either a supplement to or substitute for stock option awards. The fair market value and vesting schedule of the RSUs are determined at the time of the grant. Under the Plan, the vesting date for RSUs shall be no later than the third anniversary of the date of grant and all share issuances in respect of the vested units shall be processed before the end of the particular calendar year. Non-vested RSUs are automatically forfeited if the grantee voluntarily leaves employment with the Company. Upon vesting, RSUs are converted into common shares from treasury on a one for one basis.

On September 30, 2022 the Company awarded 628,699 Restricted Share Units (RSUs) to management, consultants and contractors. The RSUs were designated to vest in three separate equal segments, namely January 30 of 2023, 2024 and 2025. Each tranche is expensed over the full vesting period.

DSUs are used as a means of reducing the cash payable to independent directors. A DSU is a notional share that has a fair market value as determined at the grant date. DSUs are converted to common shares and paid out to directors when they retire from the Board.

On May 3, 2024, two independent directors of the Company were awarded a total of 502,200 Deferred Share Units (DSUs); each Unit will vest in the name of the grantee on his retirement from the Board and automatically be converted into one common share. Mayo's independent directors do not receive cash compensation.

10. Capital management

The Company manages its capital to support the acquisition, exploration and development of mineral properties. The Board of Directors relies on the expertise of the Company's management to sustain the future development of the business subject to the review of the Audit Committee and the Board as a whole.

Like others in the mineral exploration sector, the Company is heavily dependent on equity financing for its capital needs and currently has a recorded deficit in the amount of $4,708,871 (December 31, 2023 - $3,987,170 and shareholders equity of $5,105,621 (December 31, 2023 - $4,969,838).

The Company's objective is to obtain adequate levels of funding to support an optimal level of exploration activities combined with suitable administrative operations. The Company raises capital, when necessary or opportunistic and consequently does not have a numeric target for its capital structure. Funds are primarily secured through private placements consisting of Common Share Units and Flow Through Units, supplemented with debt when necessary. There can be no assurance that the Company will be able to continue raising capital in this manner.

The Company reviews its capital situation on an ongoing basis which it considers reasonable given its relative size.

There were no changes in the Company's approach to capital management in the year.

11. Financial instruments and risk management

Fair value

The carrying values of the Company's financial instruments approximate their fair values due to their short-term maturity.

Credit risk

The Company is at risk if a counter party to a financial instrument fails to meet its payment obligations insofar as the Company's receivables are concerned.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. It has historically generated cash from its financing activities. As outlined in Note 9, as at September 30, 2024, the Company's current liabilities which comprise accounts payable and accrued liabilities, demand notes payable and obligation due to related parties total $544,927. Consequently, the Company will require significant additional funding to maintain its operations.

Covid-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. Conditions have generally improved; however subsequent mutations and intermittent waves of the virus continue to be a threat to operations. It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the future impact on the financial position and results of the Company .

Market risk

Market risk may arise from changes in financial conditions such as interest rates, foreign exchange rates and commodity prices. The Company is not currently exposed to any significant interest rate risk volatility or exchange rate volatility.

12. Subsequent events

On October 17, 2024, the Company paid a total of $9,398 for a 6 months extension of 179 claims on its Trail-Minto property.