



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2024 AND 2023

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements of Reflex Advanced Materials Corp. (formerly Freedom Battery Metals Inc.) have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review or audit of these interim financial statements.

Reflex Advanced Materials Corp.

Condensed Consolidated Interim Statements of Financial Position

As at July 31, 2024 and January 31, 2024

In Canadian Dollars, unless noted (unaudited)

As at	Notes	July 31, 2024	January 31, 2024
		\$	\$
ASSETS			
Cash		38,351	65,100
Accounts receivable		130,637	118,452
Prepaid expenses	4	23,063	15,188
TOTAL CURRENT ASSETS		192,051	198,740
Reclamation deposits	5	265,309	265,309
Exploration and evaluation assets	5,8	1,754,047	1,604,920
Investments	6	800,000	800,000
TOTAL ASSETS		3,011,407	2,868,969
LIABILITIES			
Accounts payable and accrued liabilities	9	596,225	341,739
TOTAL CURRENT LIABILITIES		596,225	341,739
Notes payable	7	388,201	-
TOTAL LIABILITIES		984,426	341,739
EQUITY (DEFICIENCY)			
Share capital	8	10,239,919	10,226,919
Reserves	8	932,573	884,722
Deficit		(9,145,511)	(8,584,411)
TOTAL EQUITY (DEFICIENCY)		2,026,981	2,527,230
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		3,011,407	2,868,969

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

Going concern (Note 2) and Subsequent events (Note 11)

Approved on behalf of the Board of Directors:

"Paul Gorman" Director

"David Bowen" Director

Reflex Advanced Materials Corp.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For the Three and Six Months Ended July 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

For the Periods Ended July 31,	Notes	Three Months Ended		Six Months Ended	
		2024	2023	2024	2023
				\$	\$
EXPENSES					
Advertising and marketing		-	1,438,166	15,000	2,042,834
Consulting fees	9	92,500	92,857	217,500	216,007
Director fees	9	9,000	9,000	18,000	18,000
Exploration and evaluation costs		60,468	948,404	145,605	1,493,480
Filing fees		3,574	11,444	8,098	23,325
Office and miscellaneous		7,261	25,579	14,568	52,086
Professional fees		8,794	110,419	76,313	179,643
Share-based compensation	8,9	17,216	277,444	47,851	535,196
Foreign exchange gain		(5)	3,481	(36)	3,481
Interest expense	7	13,989	-	18,201	-
NET AND COMPREHENSIVE LOSS		(212,797)	(2,916,794)	(561,100)	(4,564,052)
Loss per share, basic and diluted		(0.00)	(0.06)	(0.01)	(0.10)
Weighted average number of common shares outstanding – Basic and diluted		61,061,169	45,923,562	61,017,762	43,597,772

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

Reflex Advanced Materials Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the Six Months Ended July 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Share Subscriptions	Reserves	Deficit	Total Equity (Deficiency)
	Number (#)	\$	\$	\$	\$	\$
Balance, January 31, 2023	31,295,266	2,889,021	340,000	1,173,093	(2,249,449)	2,152,665
Shares issued - private placement - \$0.40 (Note 8)	10,000,000	4,000,000	(340,000)	-	-	3,660,000
Shares issued - private placement - \$0.55 (Note 8)	454,545	250,000	-	-	-	250,000
Shares issued for exploration and evaluation assets	100,000	50,000	-	-	-	50,000
Share issuance costs (Note 8)	-	(488,788)	-	285,693	-	(203,095)
Exercise of warrants (Note 8)	5,075,239	681,985	-	-	-	681,985
Vesting of options and restricted share rights (Note 8)	-	-	-	535,196	-	535,196
Net and comprehensive loss for the period	-	-	-	-	(4,564,052)	(4,564,052)
Balance, July 31, 2023	49,675,050	8,625,968	-	750,232	(6,813,501)	2,562,699
Balance, January 31, 2024	60,961,169	10,226,919	-	884,722	(8,584,411)	2,527,230
Shares issued for exploration and evaluation assets	100,000	13,000	-	-	-	13,000
Vesting of options and restricted share rights (Note 8)	-	-	-	47,851	-	47,851
Net and comprehensive loss for the period	-	-	-	-	(561,100)	(561,100)
Balance, July 31, 2024	61,061,169	10,239,919	-	932,573	(9,145,511)	2,026,981

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

Reflex Advanced Materials Corp.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended July 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

For the Six Months Ended	Note	July 31, 2024	July 31, 2023
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(561,100)	(4,565,052)
Items not affecting cash			
Share-based compensation	8	47,851	535,196
Interest expense	7	18,201	
Net changes in non-cash working capital items:			
Accounts receivable		(12,185)	(91,607)
Prepaid expenses		(7,875)	239,923
Accounts payable and accrued liabilities		254,486	(76,728)
Cash used in operating activities		(260,622)	(3,957,268)
INVESTING ACTIVITIES			
Property option agreement payments	5	(136,127)	(135,542)
Investments	6	-	(200,000)
Cash used in investing activities		(136,127)	(335,542)
FINANCING ACTIVITIES			
Proceeds from issuance of notes payable	7	370,000	-
Proceeds from issuance of shares	8	-	3,910,000
Proceeds from exercise of warrants	8	-	681,985
Share issuance costs	8	-	(203,095)
Cash received from financing activities		370,000	4,388,890
Net change in cash		(26,749)	96,080
Cash, beginning of year		65,100	435,171
Cash, end of period		38,351	531,251
Supplemental cash flow information			
Shares issued for mineral property acquisition	5	13,000	50,000

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

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements

For the Three and Six Months Ended July 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

1. NATURE OF OPERATIONS

Reflex Advanced Materials Corp., formally Freedom Battery Metals Inc., (the “Company”) was incorporated under the *BC Business Corporations Act* on June 10, 2021. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company’s registered and records office address is 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

On July 25, 2022, the Company obtained a receipt for its final long form prospectus (the “Prospectus”) from the British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission and Ontario Securities Commission. The Prospectus qualified the distribution of 2,945,666 common shares and 2,945,666 common share purchase warrants of the Company upon the exercise of 2,945,666 issued and outstanding special warrants. On August 3, 2022, the Company’s common shares began trading on the Canadian Securities Exchange (the “CSE”) under the symbol “FBAT” and the Company’s special warrants were converted into 2,945,666 common shares and 2,945,666 common share purchase warrants.

On October 7, 2022, the Company changed its name to “Reflex Advanced Materials Corp.” and changed its stock trading symbol from “FBAT” to “RFLX”. The purpose of the name change was to emphasize that both lithium and graphite are used in more applications than batteries alone.

These consolidated financial statements (the “financial statements”) were approved by the Board of Directors on September 27, 2024.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company incurred a net loss of \$501,100 (2023 - \$4,564,052) during the six months ended July 31, 2024 and has an accumulated deficit of \$9,085,511 as of July 31, 2024 (January 31, 2024 - \$8,584,411). The Company does not generate cash flow from operations to fund its exploration activities and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future.

These events and conditions create a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments may be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These financial statements do not include any adjustments that may arise should the Company be unable to continue as a going concern.

3. BASIS OF PRESENTATION

a. Statement of compliance

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company’s functional and presentation currency.

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2024.

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements

For the Three and Six Months Ended July 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

b. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned Canadian and Montana subsidiaries, 1377838 B.C. Ltd. ("Subco") and Reflex Advanced Montana LLC. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

c. Foreign currencies

The Company's functional and presentation currency is the Canadian dollar.

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

d. Material accounting judgments and estimates

The timely preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to estimates are recognized prospectively. As at July 31, 2024 the following have been identified as material estimates:

i. Share-based compensation

Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using valuation techniques. Assumptions are made and judgment used in applying valuation techniques.

These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

In the preparation of these financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgments can have an effect on the amounts recognized in the financial statements:

i. Exploration and evaluation assets

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required to determine if the right to explore will expire in the near future or is not expected to be renewed.

Judgment is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted. Judgment is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements
For the Three and Six Months Ended July 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

quantities of mineral resources and the Company will discontinue such activities. Judgment is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full of successful development of the project or by sale.

4. PREPAID EXPENSES

As at July 31, 2024 the Company as \$23,063 (2024 - \$15,188) in prepaid expenses and consists of the following:

	July 31, 2024	January 31, 2024
	\$	\$
Insurance	7,875	-
Filing fees	15,188	15,188
Total	23,063	15,188

5. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

The following table summarizes the Company's exploration and evaluation assets by property at July 31, 2024 and January 31, 2024:

	Zig-Zag Lithium	Ruby Graphite	Total
	\$	\$	\$
Balance, January 31, 2023	139,750	1,419,378	1,559,128
Option agreement – cash	125,000	135,542	260,542
Option agreement - share issuance	78,500	50,000	128,500
Dispositions	(343,250)	-	(343,250)
Balance, January 31, 2024	-	1,604,920	1,604,920
Balance, January 31, 2024	-	1,604,920	1,604,920
Option agreement – cash	-	136,127	126,127
Option agreement – share issuance	-	13,000	13,000
Balance, July 31, 2024	-	1,754,047	1,754,047

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the six months ended July 31, 2024 and 2023:

	Zig-Zag Lithium	Ruby Graphite	Total
	\$	\$	\$
Geophysics and geology	-	424,815	424,815
Drilling	-	477,863	477,863
Metallurgical	-	268,371	268,371
Project management and equipment	-	322,431	322,431
Balance, July 31, 2023	-	1,493,480	1,493,480
Geophysics and geology	-	28,391	28,391
Drilling	-	23,183	23,183
Project management and equipment	-	60,000	60,000
Permitting	-	34,031	34,031
Balance July 31, 2024	-	145,605	145,605

a) Zig-Zag Lithium Property, Ontario, Canada

On September 1, 2021, the Company entered into an option agreement with Alex Pleson (a related party), ("Optionor") to acquire a 100% interest in the Zig-Zag Lithium Property ("Zig-Zag") by paying consideration of \$250,000 in cash, agreeing to incur at least \$310,000 in expenditures on the Zig-Zag Property, and issue 500,000 Shares to the Optionor. The Property Agreement was negotiated on an arm's length basis, as the Optionor was

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements
For the Three and Six Months Ended July 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

not a director when the Property Agreement was entered into on September 1, 2021. The Optionor is now a director of the Company, having been appointed to the Board on September 21, 2021.

Pursuant to the Zig-Zag option agreement, the Company had the option to acquire a 100% interest in the Zig-Zag Lithium Property, in consideration for completing a series of cash payments, common share issuances and exploration expenditures commitments, in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances ⁽¹⁾	Annual Exploration Expenditures	Met
Within five (5) days following the "Effective Date" (September 1, 2021)	\$65,000	200,000 common shares	-	Yes
Within five (5) days following receipt of the final technical report, prepared in accordance with the appropriate National Instrument standards (NI 43-101F1)	\$60,000	-	-	Yes
On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada.	\$50,000	100,000 common shares	\$110,000 ⁽¹⁾	Yes
On or before the second anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada.	\$75,000	200,000 common shares	\$200,000	Yes
Total	\$250,000	500,000 common shares	\$310,000	

Note:

(1) The Company received an extension from the Optionor to extend the annual exploration expenditures required in the first year to the second year. The total exploration expenditures remain at \$310,000.

During the year ended January 31, 2024, the Company fulfilled the option agreement and acquired its 100% interest in Zig-Zag by making cash payments of \$125,000 and issuing 300,000 common shares, valued at \$78,500.

On January 8, 2024, the Company sold its 100% interest in Zig-Zag to Integral Metals Corp. ("Integral Metals"), a related party due to a common officer. Total consideration of \$945,178, comprising of \$345,178 cash (net of \$54,822 of remaining exploration expenditures requirement), and 1,000,000 common shares of Integral Metals was received by the Company resulting in a gain of disposition of \$601,928.

b) Ruby Graphite Property, Montana, USA

On October 7, 2022, pursuant to a securities exchange agreement (the "Agreement"), among the Company, Broadstone Resources Inc. ("Broadstone") and a subsidiary of Broadstone ("Subco"), The Company acquired all the issued and outstanding shares of Subco in consideration for the issuance of 2,750,000 common shares of the Company (the "Consideration Shares") to Broadstone and cash consideration of \$294,628 (the "Acquisition").

The Acquisition is considered to be outside the scope of IFRS 3 Business Combinations since Subco does not meet the definition of a business for accounting purposes, as such the Acquisition was accounted for as an asset acquisition. The Acquisition of Subco is accounted for considering IFRS 2 Share Based Payment, whereby the Company is deemed to have issued shares in exchange for the net assets of Subco. As a result, the Acquisition has been measured at the market value of the Company's shares issued, being the more reliable measure of fair value. The total share and cash purchase consideration of \$1,419,378 were allocated to exploration and evaluation assets. Subco holds an option to acquire a 100% interest in the Ruby Graphite project (the "Ruby Option"), a project area covering approximately 2,000 acres and 96 federal lode mining claims located in Beaverhead County, Montana, U.S.A.

Pursuant to the Ruby Option, the Company has the option to acquire a 100% interest in the Ruby Graphite Property, in consideration for completing a series of cash payments, common share issuances and exploration expenditures commitments, in accordance with the following schedule:

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements
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In Canadian Dollars, unless noted (unaudited)

Milestones	Cash Payments (US\$)	Common Shares Issuances	Annual Exploration Expenditures (US\$)	Met
April 7, 2023	\$100,000	100,000 common shares	\$125,000	Yes
April 7, 2024	-	-	\$200,000	Yes
April 14, 2024	\$100,000	100,000 common shares	-	Yes
April 7, 2025	\$200,000	-	\$250,000	No
April 7, 2026	\$300,000	-	\$250,000	No
April 7, 2027	\$300,000	-	\$250,000	No
April 7, 2028	-	-	\$250,000	No
Identification by a QP of a mineral resource of 500,000 tonnes of graphite on the Property (proven, indicated or inferred)	-	300,000 common shares	-	No
Receipt of a favorable economic valuation (positive PFS)	-	300,000 common shares	-	No
Receipt of a bulk sampling permit from BLM that is supported by the Montana Department of Environment Quality	-	300,000 common shares	-	No
Commencement of Commercial Production	\$3,000,000	-	-	No
Total	\$4,000,000	1,000,000 common shares	\$1,325,000	

Upon the exercise of the Ruby Option, the optionor will retain a 2.0% net smelter returns royalty (“NSR”) on the property. The Company will retain the right to purchase 1.0% of the NSR, at any time, at a cost of \$3,000,000.

A portion of the property is also subject to a separate underlying 3.0% NSR, of which 1.5% can be purchased by the optionor, at any time, at a cost of \$1,500,000.

During the six months ended July 31, 2024, the Company made cash payments of US\$100,000 (CA\$136,127) (2023 – US\$100,000 or CA\$135,542) and issued 100,000 common shares, valued at \$13,000 (2023 - \$50,000), in connection with the Ruby option agreement.

During the six months ended July 31, 2024, the Company paid \$nil (year ended January 31, 2024 - \$265,309) as a deposit to the United States Office of Environmental Quality (“DEQ”), which is a requirement to obtain drilling permits. The amounts will be returnable to the Company upon completion of drilling activities and approval of closure of the drilling site.

6. INVESTMENTS

The Company’s investment balance comprises the following private company investments:

	July 31, 2024	January 31, 2024
	\$	\$
Bio Graphene Solutions Inc.	200,000	200,000
Integral metals Corp.	600,000	600,000
Total	800,000	800,000

a) Bio Graphene Solutions Inc.

On April 1, 2023, the Company entered into a subscription agreement to make a strategic investment in Bio Graphene Solutions Inc. (“BGS”) by purchasing 571,428 common shares of BGS for \$200,000.

The investment in BGS was recorded at fair value on the statement of financial position, with changes in fair value being recorded through the statement of loss.

b) Integral Metals Corp.

On January 8, 2024, the Company entered into an agreement with Integral Metals Corp. (“Integral Metals”), to sell its 100% interest in Zig-Zag for consideration of \$400,000 cash and 1,000,000 common shares of Integral Metals, valued at \$600,000.

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements
For the Three and Six Months Ended July 31, 2024 and 2023
In Canadian Dollars, unless noted (unaudited)

As Integral Metals is a private company, their common shares were valued on the transaction ate based upon its last private placement offering.

The investment in Integral Metals was recorded at fair value on the statement of financial position, with changes in fair value being recorded through the statement of loss.

During the six months ended July 31, 2024, Reflex's CFO was appointed as an officer of Integral Metals.

7. NOTES PAYABLE

The following table summarizes the Company's notes payable as at July 31, 2024 and January 31, 2024:

Issue Date	Interest Rate	July 31, 2024	January 31, 2024
	%	\$	\$
March 26, 2024	15	105,219	-
April 9, 2024	15	282,982	-
Total		388,201	-

a) March 26, 2024 Issuance

On March 26, 2024 the Company issued a \$100,000 promissory note which accrues interest at 15% per annum, calculated annually, not in advance. The principal sum and all accrued interest may become immediately due and payable upon the written demand of the Lender and may be settled in either cash or common shares valued at the market price of the common shares on the settlement date at the option of the Lender.

As the conversion feature does not meet the fixed-for-fixed criteria, the Company accounts for the note as a liability using amortized cost.

b) April 9, 2024 Issuance

On April 9, 2024 the Company issued a \$270,000 promissory note which accrues interest at 15% per annum, calculated annually, not in advance. The principal sum and all accrued interest may become immediately due and payable upon the written demand of the Lender and may be settled in either cash or common shares valued at the market price of the common shares on the settlement date at the option of the Lender.

As the conversion feature does not meet the fixed-for-fixed criteria, the Company accounts for the note as a liability using amortized cost.

During the six months ended July 31, 2024, the Company accrued \$18,201 (2023 - \$nil) of interest related to its outstanding notes payable.

8. SHAREHOLDERS' EQUITY

(a) Authorized and Issued Share Capital

Unlimited number of common shares without par value. At July 31, 2024, the Company had 61,061,169 common shares outstanding.

i) Six months ended July 31, 2024

On April 19, 2024, the Company issued 100,000 common shares valued at \$13,000 in connection with the Ruby option agreement (Note 5).

Reflex Advanced Materials Corp.

Notes to the Consolidated Financial Statements

For the Three and Six Months Ended July 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

ii) Year-ended January 31, 2024

On February 8, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of approximately \$4,250,000. Pursuant to the private placement, the Company issued 10,000,000 non-flow through units at a price of \$0.40 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.40 until February 8, 2025.

On February 8, 2023, the Company also issued 454,545 flow-through units pursuant to the private placement at a price of \$0.55 per flow-through unit. Each flow-through unit consists of one flow-through share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.65 until February 8, 2025. There was no residual value allocated to the flow-through obligation, as the shares were issued at a discount to the market share price at the date of issuance.

In connection with closing of the February 8, 2023 private placement, the Company paid finder's fees in the aggregate of \$203,095 in cash and issued 533,987 finder's warrants, fair valued at \$285,693. Each finder's warrant is exercisable into one common share at an exercise price of \$0.55 until February 8, 2025.

On October 13, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of approximately \$410,000. Pursuant to the private placement, the Company issued 2,050,000 non-flow through units at a price of \$0.20 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.35 until October 13, 2025. The Company paid finder's fees in the aggregate of \$8,000 in cash and issued 40,000 finder's warrants, fair valued at \$3,659. Each finder's warrant is exercisable into one common share at an exercise price of \$0.35 until October 13, 2025. Using the residual method, 100% of the proceeds were allocated to the value of the common shares, as their fair value at the time of issuance was in excess of total proceeds. As a result, the fair value of the warrants is \$nil.

On October 18, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of approximately \$460,000. Pursuant to the private placement, the Company issued 2,300,000 non-flow through units at a price of \$0.20 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.35 until October 18, 2025. The Company paid finder's fees in the aggregate of \$36,800 in cash and issued 164,000 finder's warrants, fair valued at \$13,933. Each finder's warrant is exercisable into one common share at an exercise price of \$0.35 until October 18, 2025. Using the residual method, 100% of the proceeds were allocated to the value of the common shares, as their fair value at the time of issuance was in excess of total proceeds. As a result, the fair value of the warrants is \$nil.

On November 17, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of \$100,000. Pursuant to the private placement, the Company issued 500,000 units at a price of \$0.20 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$0.35 until November 17, 2025. Using the residual method, \$82,500 of the proceeds were allocated to the value of the common shares and \$17,500 was allocated to the fair value of the warrants.

On January 8, 2024, the Company closed a non-brokered private placement for aggregate gross proceeds of \$575,000. Pursuant to the private placement, the Company issued 5,750,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.15 until January 4, 2026. Using the residual method, 100% of the proceeds were allocated to the value of the common shares, as their fair value at the time of issuance was in excess of total proceeds. As a result, the fair value of the warrants is \$nil.

During the year ended January 31, 2024, the Company issued 100,000 common shares valued at \$50,000 in connection with the Ruby option agreement (Note 5) and 300,000 common shares valued at \$78,500 in connection with the Zig-Zag property option agreement (Note 5).

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During the year ended January 31, 2024, 5,461,358 warrants were exercised, for total cash proceeds of \$739,328. In addition, 2,750,000 restricted share units were exercised for 2,750,000 common shares of the Company.

(b) Warrants

A summary of the movement in warrants is as follows:

Number of Warrants for the periods ended	July 31, 2024	January 31, 2024
Balance, Opening	25,527,340	11,621,166
Issued	-	19,367,532
Exercised	-	(5,461,358)
Balance, Ending	25,527,340	25,527,340

The warrants outstanding as at July 31, 2024 are as follows:

Date Granted	Exercise Price	Warrants Issued	Warrants Exercised	Warrants Remaining	Expiry Date	Remaining Life
	\$					
November 18, 2021	\$0.10	4,000,000	(2,960,000)	1,040,000	November 18, 2024	0.30
August 3, 2022	\$0.20	2,945,666	(552,000)	2,393,666	August 3, 2024	0.01
August 30, 2022	\$0.15	4,850,000	(1,936,358)	2,913,642	August 30, 2024	0.08
February 8, 2023	\$0.40	10,000,000	(187,500)	9,812,500	February 8, 2025	0.53
February 8, 2023	\$0.55	533,987 ^(a)	-	533,987	February 8, 2025	0.53
February 8, 2023	\$0.65	454,545	-	454,545	February 8, 2025	0.53
October 13, 2023	\$0.35	1,065,000 ^(b)	-	1,065,000	October 13, 2025	1.20
October 18, 2023	\$0.35	1,314,000 ^(c)	-	1,314,000	October 18, 2025	1.22
November 17, 2023	\$0.35	250,000	-	250,000	November 17, 2025	1.30
January 4, 2024	\$0.15	5,750,000	-	5,750,000	January 4, 2026	1.43
Balance, July 31, 2024	\$0.29	31,163,198	(5,635,858)	25,527,340		0.69

Notes:

- a) Finder's warrants.
- b) Includes 40,000 of finder's warrants
- c) Includes 164,000 of finder's warrants

(c) Share purchase options

On November 20, 2022, the Company adopted a stock option plan (the "Plan") to grant share purchase options ("options") to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option exercise price under each option shall be not less than the Market Value on the Grant Date.

During the six months ended July 31, 2024, the Company did not grant options (2023 – nil) to officers and employees of the Company. The fair value of each option granted was determined using the Black-Scholes option pricing model with the weighted average assumptions as follows:

	July 31, 2024	January 31, 2024
Exercise price	\$0.38	\$0.38
Risk-free interest rate	3.40%	3.40%
Volatility	100%	100%
Dividend yield	0.00%	0.00%
Expected life (years)	2.00	2.00
Forfeiture rate	0.00%	0.00%

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical volatility of comparable entities to the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds

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with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

A summary of the Company's options at July 31, 2024 is as follows:

Date Granted	Exercise Price	Options Issued	Options Exercised	Options Cancelled	Options Remaining	Expiry Date	Remaining Life
	\$						
November 20, 2022	0.43	1,050,000	-	(150,000)	900,000	November 20, 2027	3.31
June 13, 2023	0.38	50,000	-	-	50,000	June 13, 2025	3.87
Balance, July 31, 2024	0.43	1,100,000	-	(150,000)	950,000		3.33

During the six months ended July 31, 2024, the Company recorded share-based compensation expense of \$33,418 (2023 - \$173,875) pursuant to options vesting. A remaining share-based compensation expense of \$11,376 (2023 - \$111,244) is expected to be recognized as the remaining options vest.

(d) Restricted share units

On November 20, 2022, the Company adopted a restricted share unit plan (the "RSU Plan") to grant restricted share units ("RSUs") to directors, senior officers, employees and consultants of the Company. The aggregate outstanding RSUs are limited to 10% of the outstanding common shares.

A summary of the Company's restricted share units at July 31, 2024 is as follows:

	RSUs	Fair Value
Balance, January 31, 2023	2,800,000	\$0.43
Grant – February 16, 2023 ^(d)	175,000	\$0.78
Grant – June 13, 2023 ^(e)	450,000	\$0.38
Exercised	(2,750,000)	\$0.45
Balance, January 31, 2024 and July 31, 2024	675,000	\$0.40

Notes:

- d) On February 16, 2023, the Company awarded an aggregate of 175,000 RSUs to consultants of the Company's under the Company's restricted share unit plan. The RSUs shall vest immediately following approval of the Plan and the grant of such RSUs in accordance with the policies of the Canadian Securities Exchange ("CSE"). Each vested RSU entitles the holder to receive one common share of the Company.
- e) On June 13, 2023, the Company awarded an aggregate 450,000 RSUs to employees and consultants of the Company under the Company's restricted share unit plan. The RSUs shall vest immediately following approval of the Plan and the grant of such RSUs in accordance with the policies of the Canadian Securities Exchange ("CSE"). Each vested RSU entitles the holder to receive one common share of the Company.

During the six months ended July 31, 2024, the Company recorded share-based compensation expense of \$14,433 (2023 - \$361,321) pursuant to RSUs vesting. A remaining share-based compensation expense of \$4,880 (2023 - \$48,052) is expected to be recognized as the remaining RSUs vest.

(e) Escrow shares

As at July 31, 2024, the Company had 765,045 (2023 – 1,275,075) common shares subject to escrow. Under the escrow agreement, 10% of the total common shares to be released upon listing with the Canadian Securities Exchange and 15% of the remaining shares are to be released every six months following listing. The Company was listed on the Canadian Securities Exchange on August 3, 2022.

9. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

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The aggregate value of transactions relating to key management personnel during the six months ended July 31, 2024 and 2023 were as follows:

Six Months Ended	July 31, 2024	July 31, 2023
	\$	\$
Management fees (to company owned by CEO)	60,000	75,000
Management fees (to company owned by CFO)	52,500	45,000
Director fees	18,000	18,000
Share-based compensation (to directors and officers)	46,092	363,667
Total	176,592	501,667

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at July 31, 2024, \$120,650 (January 31, 2024 - \$20,250) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

10. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its \$38,351 in cash (January 31, 2024 - \$65,100) is low as the Company's cash is held with major Canadian financial institutions.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at July 31, 2024 the Company's working capital deficit is \$404,174 (January 31, 2024 - \$142,999). The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

iii. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as currency risk, price risk and interest rate risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

iv. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to minimal currency risk and is nominal to the financial statements.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

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b) Fair Values

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

c) Capital Management

The Company considers its shareholders' equity as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to satisfy its capital obligations and ongoing operational expenses, and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company manages its capital structure and makes adjustments as necessary in light of economic conditions. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. To maintain its capital structure the Company may, from time to time, issue equity or debt, repay debt or sell assets.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the six months ended July 31, 2024.

11. SUBSEQUENT EVENTS

On August 3, 2024, 2,393,666 Warrants with an exercise price of \$0.20 expired. Thereafter, on August 30, 2024, 2,913,642 with an exercise price of \$0.15 also expired.

On August 29, 2024, the Company issued a \$47,250 promissory note which accrues interest at 15% per annum, calculated annually, not in advance. The principal sum and all accrued interest may become immediately due and payable upon the written demand of the Lender and may be settled in either cash or common shares valued at the market price of the common shares on the settlement date at the option of the Lender.