ARGYLE RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MAY 31, 2024, AND FROM MARCH 16, 2023 (DATE OF INCORPORTION) TO MAY 31, 2023

(Expressed in Canadian dollars)
(Unaudited)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

Argyle Resources Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at:	May 31, 2024 (unaudited)	February 29, 2024 (audited)
ASSETS		
Current		
Cash	$ 252,651	$ 460,657
Accounts receivables	11,468	4,562
Prepaid expenses	5,431	5,000
Deferred listing costs	-	62,972
	269,550	533,191
Mineral property (Note 5)	68,634	18,000
	$ 338,184	$ 551,191
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 126,033	$ 85,215
	126,033	85,215
Shareholders' equity		
Share capital (Note 6)	786,522	786,522
Deficit	(574,371)	(320,546)
	212,151	465,976
	$ 338,184	$ 551,191

Nature and continuance of operations (Note 1)
Subsequent events (Note 8)

These condensed interim financial statements were approved by the Board of Directors on July 25, 2024.

"Jeffrey Stevens"
Director – Jeffrey Stevens

"Amanpreet Gill"
Director – Amanpreet Gill

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

Argyle Resources Corp.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

		Three months ended May 31, 2024		Period from Date of Incorporation on March 16, 2023 to May 31, 2023
Expenses				
Accounting and audit fees	$	**28,030**	$	-
Advertising and promotional		**20,000**		
Consulting fees (Note 7)		**47,300**		3,000
Director's fees (Note 7)		**3,000**		-
Exploration expenses (Note 5)		**1,220**		-
Legal and corporate services fees		**18,764**		4,687
Office and administration		**566**		30
Salaries and wages (Note 7)		**4,820**		-
Operating loss	$	**123,700**	$	7,717
Other Items				
Interest income		**(3,253)**		-
Write-off of mineral property (Note 5)		**18,000**		-
Listing cost		**115,378**		-
		130,125		-
Loss and Comprehensive loss for the period	$	**(253,825)**	**$**	(7,717)
Loss per common share – basic and diluted	$	**(0.013)**	**$**	(0.005)
Weighted average number of common shares outstanding – basic and diluted		**20,304,098**		1,631,579

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

Argyle Resources Corp.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares		Share Capital		Deficit		Shareholders' Equity
Incorporation, March 16, 2023	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Private placements - net	2,000,000		10,000		-		10,000
Loss for the period	-		-		(7,717)		(7,717)
Balance, May 31, 2023	**2,000,000**	**$**	**10,000**	**$**	**(7,717)**	**$**	**2,283**
Balance, February 29, 2024	**20,304,098**	**$**	**786,522**	**$**	**(320,546)**	**$**	**465,976**
Loss for the period	**-**		**-**		**(253,825)**		**(253,825)**
Balance, May 31, 2024	20,304,098	$	786,522	$	(574,371)	$	212,151

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

Argyle Resources Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

		Three months ended May 31, 2024		Period from Date of Incorporation on March 16, 2023 to May 31, 2023
Cash flows from (used in)				
Operating activities				
Loss for the period	$	(253,825)	$	(7,717)
Items not affecting cash:				
Write-off of mineral property		18,000		-
		(235,825)		(7,717)
Changes in non-cash working capital items:				
Accounts receivables		(6,906)		(197)
Prepaid expenses		(431)		-
Deferred listing costs		62,972		-
Accounts payable and accrued liabilities		40,818		6,234
Cash used in operating activities		(139,372)		(1,680)
Investing activities				
Acquisition of mineral property		(68,634)		-
Cash used in investing activities		(68,634)		-
Financing activities				
Proceeds from issuance of shares and units		-		10,000
Share subscriptions received in advance		-		86,166
Cash provided by financing activities		-		96,166
Change in cash during the period		(208,006)		94,486
Cash, beginning of the period		460,657		-
Cash, end of the period	$	252,651	$	94,486

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Argyle Resources Corp. (the "Company") was incorporated in British Columbia under the British Columbia Corporations Act on March 16, 2023. The Company's head office is located 540 5 Ave SW, Suite 1410 Calgary, Alberta, T2P 0M2 and its registered and records office is located at 2300 – 550 Burrard Street, Vancouver, BC V6C 2B5.

On May 16, 2024, the Company filed a non-offering prospectus with the securities regulatory authorities in the province of Alberta pursuant to its goal of becoming a reporting issuer. The Company's common shares were listed on the Canadian Securities Exchange on May 27, 2024 (the "Listing Date"), under the trading symbol "ARGL".

The Company is in the process of exploring its exploration and evaluation properties and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from mining properties or proceeds from their disposition.

At May 31, 2024, the Company had a working capital of $143,517, had not yet achieved profitable operations and has an accumulated deficit of $574,371 since its inception. During the three months ended May 31, 2024, the Company recorded a loss of $253,825 and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work programs on its mineral properties, meet its on-going levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Although the Company presently has sufficient financial resources to undertake its currently planned work programs and has been successful in obtaining financing (Note 8), there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, the condensed interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these condensed interim financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance and presentation

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of condensed interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures included in annual financial statements 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 period from the date of incorporation on March 16, 2023, to February 29, 2024.

b) Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All financial information in these financial statements is presented in Canadian dollars which is the functional currency of the Company. The accounting policies applied in these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the period from the date of incorporation on March 16, 2023, to February 29, 2024.

2. BASIS OF PRESENTATION (CONTINUED)

c) Use of estimated and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of policies and reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the financial statements, along with reported amounts of expenses and net losses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments:

- The Company capitalizes acquisition on its statement of financial position, and evaluates these amounts at least annually for indicators of impairment; and
- Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 of the audited consolidated financial statements for the period from the date of incorporation on March 16, 2023, to February 29, 2024., and have been consistently followed in the preparation of these condensed interim financial statements.

New IFRS pronouncements

There are no new or amended IFRS's or IFRIC interpretations effective for the current period that had a material impact on the Company's condensed interim financial statements. There are no IFRS's or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company's condensed interim consolidated financial statements.

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES

a) Fair value of financial instruments

As at May 31, 2024, the Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

IFRS requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS prioritizes the inputs into three levels that may be used to measure fair value.

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

(Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES (CONTINUED)

a) Fair value of financial instruments (continued)

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the net asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3: Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

	Level 1	Level 2	Level 3	Total
May 31, 2024				
Cash	**$ 252,651**	**$ -**	**$ -**	**$ 252,651**
	$ 252,651	**$ -**	**$ -**	**$ 252,651**

As at May 31, 2024, the Company believes that the carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. During the three months ended May 31, 2024, there were no transfers between levels of the fair value hierarchy.

b) Risk management

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash balance. To minimize this risk, cash has been placed with major Canadian financial institutions. The maximum exposure to credit risk for cash is $252,651.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, and cash holdings. As the Company does not have operating cash flows, the Company has relied primarily on equity financings and loans from related parties to meet its capital requirements and current financial obligations (Note 1).

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities and the determination of impairment of exploration and evaluation assets is subject to risk associated with fluctuations in the market prices of certain critical minerals.

c) Capital management

The Company considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in obtaining financing through the sale of equity securities (Note 8), there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

(Expressed in Canadian dollars)

5. MINERAL PROPERTY

The Company has capitalized the following acquisition expenditures during the year ended February 29, 2024 and three months ended May 31, 2024.

	Wintering Lithium $	Charlevoix Silica $	Total $
Acquisition			
Property acquisition	18,000	-	18,000
Balance, February 29, 2024	18,000	-	18,000
Property acquisition	-	50,000	50,000
Acquisition related legal costs		18,634	18,634
Write-off of mineral property	(18,000)	-	(18,000)
Balance, May 31, 2024	-	68,634	68,634

(a) Wintering Lithium Property, Ontario

On May 30, 2023 (the "Effective Date"), the Company entered into a purchase option agreement with Gravel Ridge Resources Ltd. ("Gravel") and 1544230 Ontario Inc. ("1544230") (together, the "Vendors") to acquire a one hundred percent (100%) undivided interest in the nine (9) mining claims in Ontario.

As consideration for the property, the Company were required to make cash payments of $90,000. The breakdown of payments were as follows:

- Pay $18,000 upon signing the agreement (paid);
- Pay $18,000 on or before the first anniversary of the Effective Date; (not paid)
- Pay $24,000 on or before the second anniversary of the Effective Date; (not paid)
- Pay $30,000 on or before the third anniversary of the Effective Date; (not paid)

On May 29, 2024, the Company provided notice to the Vendors of its decision not to advance with the property, and as such have written off the initial cash payment capitalized to mineral property. In accordance with the purchase option agreement, the Company has no further obligation to fund or incur expenditures or any other payments or amounts and will acquire no interest in the property.

(b) Frenchvale Graphite Property, Nova Scotia

On June 5, 2023, the Company entered into a purchase option agreement with MT Cameron Mineral Incorporated ("MT") to acquire a one hundred percent (100%) interest in the mining claims in Nova Scotia (the "Frenchvale Property").

Subject to the terms and conditions set out in agreement, the MT grants to the Company the sole and exclusive right and option (the "Option") exercisable in the manner described herein, to acquire a 100% legal and beneficial interest in and to the Frenchvale Property free and clear of all encumbrances and claims, other than the permitted encumbrances, which interest shall be deemed to vest and be fully exercised on the date upon which each of following conditions has been satisfied:

Work Program No. 1: On the date the first Work Program is approved - $150,000 (which program has already been completed);
Work Program No. 2: On or before May 27, 2025, i.e. twelve (12) months after the Listing Date - $250,000;
Work Program No. 3: On or before May 27, 2026, i.e. twenty-four (24) months after the Listing Date - $1,000,000;
Work Program No. 4: On or before May 27, 2027, i.e. thirty-six (36) months after the Listing Date - $3,000,000.

(Expressed in Canadian dollars)

5. MINERAL PROPERTY (CONTINUED)

(b) Frenchvale Graphite Property, Nova Scotia (continued)

Upon the earning an one hundred percent (100%) legal and beneficial interest in and to the Frenchvale Property (subject to Permitted Encumbrances), the Company shall issue to the shareholders of MT pro rata to their respective holdings in MT, such number of common shares of the Company by means of a Section 85 Rollover in accordance with the Canada Income Tax Act, such that the shareholders of MT shall own forty percent (40%) of the then issued and outstanding common shares of the Company.

(c) Charlevoix Silica Property, Quebec

On April 15, 2024, the Company entered into an agreement with Charlevoix Silica Inc / Silice Charlevoix Inc (“Charlevoix Silica”). pursuant to which the Company shall acquire one hundred (100%) percent of Charlevoix Silica’s undivided legal and beneficial right, title and interest in and to mining claims in Quebec comprising the Charlevoix Silica Property.

As consideration for the property, the Company is required to make cash payments and issue common shares in accordance with the following schedule:

- Pay $50,000 in cash on signing of the agreement. (Paid)
- Pay $100,000 in cash (the “Remaining Cash Amount”) (Paid on June 19, 2024 – Note 8)
- Issue 750,000 common shares (Issued on June 21, 2024 – Note 8)

The Company completed the acquisition on June 21, 2024.

During the three months ended May 31, 2024, the Company incurred exploration expenditures on the properties as follows:

	Frenchvale Property $	**Total $**
Exploration expenditures		
Exploration licenses	1,220	1,220
Total exploration expenditures	**1,220**	**1,220**

6. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding:

***During the three months ended May 31, 2024*:**

No share capital transactions during the three months ended May 31, 2024.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

During the period from incorporation on March 16, 2023 to Feb 29, 2024:

(i) In March 2023, the Company issued 2,000,000 shares at $0.005 for gross proceeds of $10,000.

(ii) In June 2023, the Company issued 8,666,600 shares at $0.02 for gross proceeds of $173,332.

(iii) In July 2023, the Company issued 6,999,998 units at $0.05 for gross proceeds of $350,000. Each unit consists of one share and one share purchase warrant. Each warrant will entitle the holder to purchase a share for a period of 24 months from the Listing Date at an exercise price of $0.10 per common share. The share issuance costs were $2,258.

The Company has allocated 100% of proceeds to common shares and $Nil to share purchase warrants by applying the residual approach.

(iv) In December 2023, the Company issued 2,637,500 units at $0.10 for gross proceeds of $263,750. Each unit consists of one share and one share purchase warrant. Each warrant will entitle the holder to purchase a share for a period of 24 months from the Listing Date at an exercise price of $0.20 per common share. The share issuance costs were $8,302.

The Company has allocated 100% of proceeds to common shares and $Nil to share purchase warrant by applying the residual approach.

(c) Share purchase warrants

A summary of the Company's issued and outstanding share purchase warrants as at May 31, 2024 and changes during the period is presented below:

	Warrants Outstanding	Weighted Average Exercise Price $
Balance, March 16, 2023	-	-
Granted	9,637,498	0.13
Balance, February 29, 2024 and May 31, 2024	**9,637,498**	**0.13**

At May 31, 2024, the following warrants were outstanding and exercisable:

Number of warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
6,999,998	$0.10	May 27, 2026	1.99
2,637,500	$0.20	May 27, 2026	1.99
9,637,498			1.99

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

Key Management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	Three months ended May 31, 2024 $	Period from Date of Incorporation on March 16, 2023 to May 31, 2023 $
Consulting fees	38,300	3,000
Director fees	3,000	-
Salaries and wages	4,500	-
	45,800	**3,000**

(a) During the three months ended May 31, 2024, the Company incurred consulting fees of $30,000 with a company owned by the former CEO and director of the Company (period ended May 31, 2023 - $3,000). As at May 31, 2024, $4,200 is included in accounts payable and accrued liabilities related to these consulting fees payable (February 29, 2024 - $6,000).

(b) During the three months ended May 31, 2024, the Company incurred consulting fees of $8,000 with a company owned by the CEO and director of the Company (period ended May 31, 2023 - $Nil).

(c) During the three months ended May 31, 2024, the Company incurred consulting fees of $300 and director fees of $3,000 with companies owned by directors of the Company (period ended May 31, 2023 - $Nil and $Nil, respectively). As at May 31, 2024, $1,050 is included in accounts payable and accrued liabilities related to director fees payable (February 29, 2024 - $525).

(d) During the three months ended May 31, 2024, the Company incurred salaries and wages expenses of $4,500 to the CFO of the Company (period ended May 31, 2023 - $Nil).

The amounts due to the related parties are unsecured and without interest or stated terms of repayment.

8. SUBSEQUENT EVENTS

Private Placement

On June 18, 2024, the Company completed a non-brokered private placement offering (the "Non-FT Private Placement") of 3,559,000 units of the Company ("Units") at a price of $0.35 per Unit, for aggregate gross proceeds of $1,245,650. Each Unit consists of one common share of the Company ("Share") and one Share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one Share at an exercise price of $0.45 for a period of 24 months from the date of issuance.

8. SUBSEQUENT EVENTS (CONTINUED)

Private Placement (continued)

The Company also completed a non-brokered private placement offering (the “FT Private Placement,” and together with the Non-FT Private Placement, the “Private Placement Offerings”) of 2,225,000 flow-through units of the Company (“FT Units”) at a price of $0.40 per FT Unit, for aggregate gross proceeds of $890,000. Each FT Unit consists of one Share (“FT Share”) and one (non-flow-through) Share purchase warrant (“FT Warrant”), with each FT Warrant entitling the holder to purchase a (non-flow-through) Share at an exercise price of $0.50 for a period of 24 months from the date of issuance.

The FT Shares are intended to qualify as “flow through shares” within the meaning of the Income Tax Act (Canada) (the “Tax Act”). The proceeds from the sale of the FT Shares will be used to incur “Canadian exploration expenses” that are intended to qualify as “flow-through mining expenditures” as those terms are defined in the Tax Act.

Warrant Exercises

The Company issued 200,000 common shares on the exercise of 200,000 warrants with an exercise price of $0.10, for gross proceeds of $20,000. In addition, the Company issued 437,000 common shares on the exercise of 437,000 warrants with an exercise price of $0.20, for gross proceeds of $87,400.

Acquisition of Charlevoix Silica Property

On June 21, 2024, the Company completed the acquisition of a 100% interest in the Charlevoix Silica Property pursuant to the terms of the acquisition agreement dated April 15, 2024 (Note 5).