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**ADELPHI METALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED AUGUST 31, 2024**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED – PREPARED BY MANAGEMENT)**

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**ADELPHI METALS INC.**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	August 31, 2024	November 30, 2023
<b>ASSETS</b>		
CURRENT		
Cash	\$ 13,474	\$ 124,483
Amounts receivable	9,770	1,287
Prepaid	4,500	4,500
	27,744	130,270
Exploration advances	-	10,000
Exploration and evaluation assets (Note 4)	120,083	103,965
	\$ 147,827	\$ 244,235
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 100,948	\$ 68,011
Deferred tax liabilities	11,000	11,000
	111,948	79,011
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	150,250	177,750
Contributed surplus (Note 5)	42,100	-
Subscriptions receivable (Note 5)	-	(20,000)
Retained earnings (deficit)	(156,471)	7,474
	35,879	165,224
	\$ 147,827	\$ 244,235

Nature of business and continuing operations (Note 1)

Approved on behalf of the Board:

*"Mike England"*  
\_\_\_\_\_  
Director

*"Tom McCandless"*  
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Director

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

**ADELPHI METALS INC.**  
**CONDENSED INTERIM STATEMENT OF LOSS**  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>Three months ended August 31, 2024</b>	<b>Nine months ended August 31, 2024</b>
<b>EXPENSES</b>		
Filing and transfer agent fees	\$ 1,240	\$ 16,990
Office and miscellaneous	122	389
Professional fees	76,860	104,466
Share-based payments (Notes 5 and 7)	-	42,100
<b>NET LOSS</b>	<b>\$ (78,222)</b>	<b>\$ (163,945)</b>
<b>LOSS PER SHARE – BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED</b>	<b>9,000,000</b>	<b>9,000,000</b>

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

**ADELPHI METALS INC.**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

**For the nine months ended  
August 31, 2024**

OPERATING ACTIVITIES

Net loss for the period	\$ (163,945)
Item not affecting cash:	
Share-based payments	42,100
Changes in non-cash working capital balances:	
Amounts receivable	(8,483)
Accounts payable and accrued liabilities	71,402
Cash used in operating activities	(58,926)

INVESTING ACTIVITIES

Exploration and evaluation assets	(44,583)
Cash used in investing activities	(44,583)

FINANCING ACTIVITIES

Proceeds from private placements	20,000
Share issuance costs – cash	(27,500)
Cash provided by financing activities	(7,500)

CHANGE IN CASH	(111,009)
CASH, BEGINNING OF PERIOD	124,483
CASH, END OF PERIOD	\$ 13,474

SUPPLEMENTAL CASH FLOW DISCLOSURES

Interest paid	\$ -
Income taxes paid	\$ -

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**ADELPHI METALS INC.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
 (Expressed in Canadian Dollars)  
 (Unaudited)

	Common shares					Retained earnings (deficit)	Total equity
	Number of shares	Amount	Contributed surplus	Subscriptions receivable			
<b>As at August 18, 2023</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
Incorporation share issued	1	1	-	-	-	-	1
Share repurchased and cancelled	(1)	(1)	-	-	-	-	(1)
Private placements	9,000,000	237,750	-	(20,000)	-	-	217,750
Flow-through premium liability	-	(60,000)	-	-	-	-	(60,000)
Net income and comprehensive income	-	-	-	-	-	7,474	7,474
<b>As at November 30, 2023</b>	9,000,000	177,750	-	(20,000)	-	7,474	165,224
Subscriptions receivable	-	-	-	20,000	-	-	20,000
Share-based payments	-	-	42,100	-	-	-	42,100
Share issuance costs – cash	-	(27,500)	-	-	-	-	(27,500)
Net loss and comprehensive loss	-	-	-	-	-	(163,945)	(163,945)
<b>As at August 31, 2024</b>	<b>9,000,000</b>	<b>\$ 150,250</b>	<b>\$ 42,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(156,471)</b>	<b>\$ 35,879</b>

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

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**ADELPHI METALS INC.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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## **1. NATURE OF BUSINESS AND CONTINUING OPERATIONS**

Adelphi Metals Inc. was incorporated on August 18, 2023 under the laws of the province of British Columbia. The address of the Company's corporate office and principal place of business is Suite 700 - 401 West Georgia Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2024, the Company has not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of the amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown, and these financial statements do not give effect to adjustments that would be necessary to the carrying values, classification of assets and liabilities should the Company be unable to continue as a going concern. As of August 31, 2024, the Company had not yet achieved profitable operations, has working capital deficiency of \$84,204 and an accumulated deficit of \$156,471. Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of material uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to raise additional equity.

On August 16, 2024, the Company completed its final prospectus and paid its corporate finance fee of \$27,500.

## **2. BASIS OF PREPARATION**

### Statement of Compliance

These condensed interim financial statements have been prepared by management of the Company in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", following the same accounting principles and methods of computation as outlined in the Company's financial statements for the period ended November 30, 2023. These condensed interim financial statements include all necessary disclosures required for condensed interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these condensed interim financial statements should be read in conjunction with the most recent audited annual financial statements and the notes thereto for the period from incorporation on August 18, 2023 to November 30, 2023.

### Approval of the Condensed Interim Financial Statements

The condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on October 30, 2024.

### Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### a) Cash and cash Equivalents

Cash equivalents include short term deposits with an original maturity of six months or less, which are readily convertible into a known amount of cash. As of August 31, 2024, the Company held no cash equivalents.

#### b) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

##### *Significant accounting judgments*

- i. in assessing the probability of realizing potential income tax assets, management makes judgments related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities; and
- ii. the assessment of the potential impairment of the carrying value and recoverability of the exploration and evaluation asset included in the statement of financial position is based on management's best judgment of the prospect.
- iii. the evaluation of the Company's ability to continue as a going concern.

#### b) Income Taxes

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)**

d) Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share amounts are calculated assuming that the proceeds received from the exercise of stock options and warrants would be used to repurchase shares at the prevailing market rate. When a loss is incurred during the period, this calculation is considered to be anti-dilutive.

e) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss. The Company currently has incurred no comprehensive income or loss.

f) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

g) Valuation of equity units issued in private placements

The Company records proceeds from issuances of equity net of issue costs and any related tax effects. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their quoted trading price at issuance, and the residual amount, if any, is attributed to the value of the warrants. Any fair value attributed to the warrants is recorded within the reserve.

h) Share-based payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense offset by reserves. The fair value of share-based compensation is determined using the Black-Scholes option pricing model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in the reserves, are credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the equity instruments. Otherwise, share based compensation are measured at the fair value of the goods or the services received.



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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)**

i) Financial Instruments

On initial recognition financial assets are classified as and measured at:

- i. Amortized cost;
- ii. Fair value through other comprehensive income (“FVOCI”); and
- iii. Fair value through profit and loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The ‘effective interest rate’ is the rate that amortizes the future cash flows of a financial instrument over the life of the instrument or a shorter period, if deemed appropriate.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (“OCI”), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss in the period in which it arises.

The Company’s cash is classified at FVTPL.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)**

i) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as and measured at (i) FVTPL; (ii) FVOCI; or (iii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL or FVOCI.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable and accrued liabilities at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statement loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)**

j) Exploration and evaluation assets (“E&E Assets”)

Once the Company obtains legal title or right to a mineral property, all costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of exploration and evaluation assets for which events and circumstances may indicate possible impairment. The recoverability of the carrying amounts of E&E Assets is dependent on maintaining the rights and title to E&E Assets, continued plans to explore the property in question, identifying the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the exploration for and development of such ore reserves. The Company has not yet determined whether any of its E&E Assets contains economically recoverable reserves. Where indicators of impairment are identified for E&E Assets, the Company must determine the recoverable amount of the property in question. In the event that the recoverable amount expected from the property’s use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

k) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)**

l) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. The proceeds received on issuance of the flow-through share or unit are allocated as follows: i) to the fair value of the common share based on the market price of the Company's shares; ii) to attached warrants (if any); and iii) to the flow-through premium. The allocation to the attached warrants and flow-through premium are done using the residual value method. The premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

m) Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

**4. EXPLORATION AND EVALUATION ASSETS**

**Triple R Property**

On August 25, 2023, and amended September 19, 2023, the Company entered into an agreement to acquire a 100% undivided interest in the Triple R Property consisting of 8 claims located east of Beavertell, British Columbia.

In consideration of the Triple R Property, the Company shall make the following payments:

Cash payments

- i) \$15,000 upon signing the option agreement (paid); and
- ii) \$25,000 on or before November 25, 2024.

Share issuances

- i) 250,000 common shares upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing").

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**4. EXPLORATION AND EVALUATION ASSETS (continued)**

A summary of the Company's exploration and evaluation asset is as follows:

	Triple R Property
<b>Acquisition Costs:</b>	
Balance, August 18, 2023	\$ -
Cash payment	15,500
Balance, November 30, 2023 and August 31, 2024	<u>15,500</u>
<b>Exploration Costs:</b>	
Balance, August 18, 2023	-
Assays/lab	19,405
Freight and administrative	4,471
Geological consulting	29,900
Site preparation	1,395
Meals and accommodation	15,125
Reporting – petrographic	7,535
Supplies	1,257
Transportation	<u>9,377</u>
Balance, November 30, 2023	88,465
Assays/lab	(594)
Reports and administration	16,000
Transportation	<u>712</u>
Balance, August 31, 2024	<u>104,583</u>
<b>Total Balance, November 30, 2023</b>	<b>\$ 103,965</b>
<b>Total Balance, August 31, 2024</b>	<b>\$ 120,083</b>

**5. SHARE CAPITAL**

- a) Authorized: Unlimited number of common shares without par value.
- b) Issued and outstanding as at August 31, 2024: 9,000,000 common shares.

During the period ended November 30, 2023, the Company:

- i) completed a non-flow-through private placement of 850,000 common shares at a price of \$0.005 per share for gross proceeds of \$4,250.
- ii) completed a non-flow-through private placement of 1,200,000 common shares at a price of \$0.005 per share for gross proceeds of \$6,000.
- iii) completed a flow-through private placement of 4,000,000 common shares at a price of \$0.02 per share for gross proceeds of \$80,000 and allocated \$60,000 to flow-through premium liability.
- iv) completed a non-flow-through private placement of 2,950,000 common shares at a price of \$0.005 per share for gross proceeds of \$147,500, of which \$20,000 was received during the period ended August 31, 2024.

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**5. SHARE CAPITAL (continued)**

c) Stock Options

The Company has adopted a Stock Option Plan ('Plan') for directors, officers, employees and consultants of the Company. Options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

A summary of share options outstanding is as follows:

	Outstanding and exercisable	Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance at August 18, 2023 and November 30, 2023	-	\$ -	-
Granted	500,000	0.10	-
<b>Balance at August 31, 2024</b>	<b>500,000</b>	<b>\$ 0.10</b>	<b>2.69</b>

During the period ended August 31, 2024:

- i) On February 7, 2024, the Company granted 500,000 share options to officers and directors of the Company, which are exercisable for a period of three years, at a price of \$0.10 per share. The fair value of \$42,100 was estimated using the Black-Scholes Option Pricing Model. The options vested immediately.

During the period ended November 30, 2023, the Company did not grant any stock options.

As at August 31, 2024, the Company had share purchase options outstanding as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual life (in years)
500,000	500,000	\$0.10	07-Feb-27	2.69
<b>500,000</b>	<b>500,000</b>			

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**5. SHARE CAPITAL (continued)**

The following weighted average assumptions were used in the Black-Scholes Option Pricing Model for the valuation of the share options granted:

	<b>August 31, 2024</b>
Risk-free interest rate	4.26%
Exercise price	\$0.10
Share price	\$0.10
Expected life of options	3.00 years
Expected annualized volatility	159.31%
Expected dividend rate	0.00%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company's share options and other share-based transactions.

The Company uses historical volatility of comparable companies to estimate the volatility of the share price.

**6. FLOW-THROUGH PREMIUM LIABILITY**

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

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

On September 19, 2023, the Company issued 4,000,000 flow-through shares at a purchase price of \$0.02 per flow-through share for gross proceeds of \$80,000. The flow-through shares were issued at a premium of \$0.015 per share. As a result, a flow-through premium liability of \$60,000 was recorded. During the period ended November 30, 2023, the Company met the spending requirement and recorded a flow-through premium recovery of \$60,000.

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**6. FLOW-THROUGH PREMIUM LIABILITY (*continued*)**

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	<b>Flow-through premium liability</b>
Balance, August 18, 2023	\$ -
Flow-through funds raised and premium recorded as liability	60,000
Flow-through funds raised and premium recovery	(60,000)
Balance, November 30, 2023 and August 31, 2024	\$ -

**7. RELATED PARTY TRANSACTIONS**

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

During the period ended August 31, 2024, the Company granted 400,000 stock options with a value of \$33,680 to directors and officers of the Company for services provided.

During the period ended November 30, 2023, the Company did not pay or accrue any compensation to related parties.

**8. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity (deficit), as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.



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**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

**Fair value of financial instruments**

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates its fair value due to the relatively short period of maturity of the instrument.

Assets measured at fair value on a recurring basis presented on the Company's statements of financial position as at August 31, 2024 and November 30, 2023 was as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
August 31, 2024				
Cash	\$ 13,474	\$ 13,474	\$ -	\$ -
November 30, 2023				
Cash	\$ 124,483	\$ 124,483	\$ -	\$ -

**Financial risk management objectives and policies**

The risks associated with the Company's financial instruments and the policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Credit Risk*

Credit risk is the risk of financial loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's exposure to and approach to the management of credit risk has not changed from that of the prior year.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company's exposure to and approach to the management of liquidity risk has not changed from that of the prior year. As at August 31, 2024, the Company had a cash balance of \$13,474 (November 30, 2023 - \$124,483) to settle current liabilities of \$111,948 (November 30, 2023 - \$79,011).

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**9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)**

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is not considered to be material as the deposits are short term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company's exposure to and approach to the management of interest rate risk has not changed from that of the prior year.

*Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company's exposure to and approach to the management of currency risk has not changed from that of the prior year.

*Price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest and currency rates), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material price risk at August 31, 2024. The Company's exposure to and approach to the management of price risk has not changed from that of the prior year.