



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

M3 METALS CORP.
CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
M3 Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of M3 Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), cash flows, and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a deficit of \$42,718,173 and has incurred ongoing losses since inception. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$1,382,560 as of August 31, 2024. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment, specifically relating to the properties' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these properties. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators in accordance with the applicable accounting standards.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements and vouching cash payment and share issuance.
- Assessing the Company's rights to explore E&E Assets including confirmation request to optionor to ensure good standing of agreement.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

December 4, 2024

M3 METALS CORP.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)**

	August 31, 2024	August 31, 2023
	\$	\$
ASSETS		
Current		
Cash	219,979	698,825
Marketable securities (Note 3)	1,003,222	429,980
GST receivable	5,120	5,112
Prepaid expenses	40,532	114,662
Total current assets	1,268,853	1,248,579
Property and equipment (Note 4)	2,767	3,995
Exploration and evaluation assets (Note 5)	1,382,560	152,095
TOTAL ASSETS	2,654,180	1,404,669
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6 and 9)	103,993	108,549
Corporate income taxes payable (Note 13)	33,854	-
Total current liabilities	137,847	108,549
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	44,914,506	43,754,506
Reserves (Note 8)	320,000	320,000
Deficit	(42,718,173)	(42,778,386)
TOTAL SHAREHOLDERS' EQUITY	2,516,333	1,296,120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,654,180	1,404,669

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized by the Board on December 4, 2024.

On behalf of the Board:

/s/ "Kosta Tsoutsis"
Director

/s/ "Adrian Smith"
Director

M3 METALS CORP.**CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(EXPRESSED IN CANADIAN DOLLARS)**

	For the years ended August 31,	
	2024	2023
	\$	\$
Expenses		
Consulting and directors fees (Note 9)	457,719	549,986
Depreciation (Note 4)	1,228	2,029
Investor relations	7,018	3,368
Marketing	68,960	14,790
Office and administration (Note 9)	79,341	62,739
Professional fees	105,030	93,307
Property investigation costs	-	6,269
Share-based compensation (Note 8, and 9)	-	320,000
Transfer agent and filing fees	53,678	54,220
Travel and related (Note 9)	10,564	17,064
	<u>(783,538)</u>	<u>(1,123,772)</u>
Unrealized loss on net change in fair value of marketable securities (Note 3)	(283,293)	(782,760)
Realized loss on sale of marketable securities (Note 3)	(296,711)	(245)
Gain on sale of exploration and evaluation properties (Note 5)	-	720,599
Write-off of exploration and evaluation properties (Note 5)	-	(199,067)
Gain on option payment received (Note 5)	1,467,355	-
Gain on settlement of debt (Note 9)	-	59,850
Write-off of accounts payable	-	56,910
Interest income	1,398	358
Other loss	(2,750)	(6,019)
	<u>885,999</u>	<u>(150,374)</u>
Net income (loss) and comprehensive income (loss) before income tax	102,461	(1,274,146)
Income tax expense	42,248	-
Net income (loss) and comprehensive income (loss) for the year	60,213	(1,274,146)
Basic and diluted income (loss) per share	0.01	(0.21)
Weighted average number of common shares outstanding - basic and diluted	10,017,893	6,096,642

M3 METALS CORP.**CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)**

	For the years ended	
	August 31,	
	2024	2023
	\$	\$
Cash flows used in operating activities		
Income (loss) for the year	60,213	(1,274,146)
Items not affecting cash:		
Depreciation	1,228	2,029
Share-based compensation	-	320,000
Unrealized (gain) loss on net change in fair value of marketable securities	283,293	782,760
Realized loss on sale of marketable securities	296,711	245
Gain on option payment received	(1,467,355)	-
Gain on sales of exploration and evaluation properties	-	(720,599)
Write-off of exploration and evaluation properties	-	199,067
Gain on settlement of debt	-	(59,850)
Write-off of accounts payable	-	(56,910)
Changes in non-cash working capital items		
GST receivable	(8)	(593)
Prepaid expenses	13,580	(96,090)
Accounts payable and accrued liabilities	(4,556)	(191,203)
Corporate income taxes payable	33,854	-
	(783,040)	(1,095,290)
Cash flows provided by (used in) investing activities		
Exploration and evaluation property expenditures	(222,560)	(194,963)
Proceeds from property agreement	500,000	-
Acquisition of marketable securities	(247,000)	-
Proceeds from sale of marketable securities	273,754	18,715
	304,194	(176,248)
Cash flows provided by financing activities		
Proceeds from share issuance	-	1,199,900
	-	1,199,900
Net change in cash	(478,846)	(71,638)
Cash, beginning of the year	698,825	770,463
Cash, end of the year	219,979	698,825
Supplemental cash flow information		
Shares issued for acquisition of exploration and evaluation assets	1,160,000	-
Reclassification of cancelled stock options	-	762,102
Value of shares received from sales of exploration and evaluation assets	1,180,000	724,400

M3 METALS CORP.CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Number of Shares Issued	Share Capital	Reserves	Deficit	Total Shareholders' Equity
	#	\$	\$	\$	\$
Balance at August 31, 2022	3,274,724	42,554,506	762,102	(42,266,342)	1,050,266
Shares issued for proceeds	5,000,000	1,200,000	-	-	1,200,000
Stock options issued	-	-	320,000	-	320,000
Stock options cancelled	-	-	(762,102)	762,102	-
Loss for the year	-	-	-	(1,274,146)	(1,274,146)
Balance at August 31, 2023	8,274,724	43,754,506	320,000	(42,778,386)	1,296,120
Shares issued for exploration and evaluation asset	2,000,000	1,160,000	-	-	1,160,000
Income for the year	-	-	-	60,213	60,213
Balance at August 31, 2024	10,274,724	44,914,506	320,000	(42,718,173)	2,516,333

M3 METALS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)

1. NATURE AND CONTINUANCE OF OPERATIONS

M3 Metals Corp. (the “Company”) was incorporated under the Canada Business Corporations Act (CBCA) on February 27, 2007 and is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol V.MT. The Company’s business is to acquire, explore and develop interests in mineral properties located in North America.

The Company’s registered office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, Canada, V6E 4A2. The Company maintains an executive office at Suite 300 - 1455 Bellevue Avenue, West Vancouver, BC, Canada, V7T 1C3.

The Company’s exploration and evaluation properties are at the exploration and evaluation stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has a deficit of \$42,718,173 and has incurred ongoing losses since inception. As at August 31, 2024, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on December 4, 2024.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of presentation

These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ML Nevada Corp. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive income (loss).

Use of estimates

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation properties

Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Use of estimates (continued)

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forecasted dividend rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax 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. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Exploration and evaluation properties

Pre-exploration costs are expensed as incurred.

Costs directly related to the acquisition and exploration of exploration and evaluation properties are capitalized once the legal rights to explore the exploration and evaluation properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation properties along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as the related assets.

The Company's estimates restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

As at August 31, 2024 and 2023, there were no significant restoration and environmental obligations.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share-based compensation

The Company operates an employee stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On exercise of stock options, any amounts related to the initial value of the stock options, along with the proceeds from exercise are recorded to share capital. On expiration of stock options, the corresponding amounts related to the initial value of the stock options are transferred to deficit.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is classified as amortized cost and marketable securities is classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as amortized cost and carried on the statements of financial position at amortized cost.

As at August 31, 2024, the Company does not have any derivative financial liabilities.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statements of income (loss) and comprehensive income (loss) during the fiscal period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance method to write off the cost of the assets. The depreciation rates applicable to each category of property and equipment are as follows:

Asset	Basis	%
Computer hardware	Declining balance	55%
Equipment	Declining balance	20%
Vehicles	Declining balance	30%

Unit offering

The Company accounts for unit offering financing using the relative fair value method. Under this method, the fair values of the shares and share purchase warrants are determined separately and prorated to the actual proceeds received. The fair value of shares is determined using the share price at the issue date. The fair value of share purchase warrants is measured using the Black-Scholes valuation model at the issue date.

Warrants

Finder's warrants are measured using the Black-Scholes valuation model at the issue date. The value of warrants are reclassified from reserves to share capital when exercised or expired.

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(EXPRESSED IN CANADIAN DOLLARS)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Deferred income tax:

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid, if any, for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss on a pro-rata basis at the same time the qualifying expenditures are made.

Impairment of non-financial assets

The carrying amount of the Company's assets (which include property and equipment and exploration and evaluation properties) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basic and diluted loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Potentially dilutive options and warrants excluded from diluted loss per share totalled 5,800,000 (2023 – 5,800,000).

Recent accounting pronouncements

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended August 31, 2024. The following amendments will be in effect for annual reporting periods beginning on or after January 1, 2024:

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- Specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- Provide that management's expectations are not relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- Clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024, and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of these amendments on its consolidated financial statements.

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3. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	August 31, 2024		August 31, 2023	
	Shares #	Fair Value \$	Shares #	Fair Value \$
International Metals Mining Corp.	200,000	5,000	200,000	42,000
Aurwest Resources Corporation	1,500,000	7,500	1,500,000	37,500
Cyclone Metals Ltd.	85,000,000	77,656	400,000,000	350,480
Surge Battery Metals Corp.	2,000,000	660,000	-	-
Money market funds	N/A	253,066	-	-
		1,003,222		429,980

International Metals Mining Corp. (“IMM”)

In October 2020, the Company received 300,000 common shares of IMM at a fair value of \$3.00 per share in connection with the previously held option agreement. During the year ended August 31, 2021, the Company sold 36,800 IMM common shares resulting in a net loss of \$11,465. During the year ended August 31, 2023, the Company sold 63,200 IMM common shares resulting in a net loss of \$245. During the year ended August 31, 2024, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$37,000 (2023 – \$333,840).

Aurwest Resources Corporation (“Aurwest”)

In December 2021, the Company received 1,500,000 common shares of Aurwest subject to certain escrow release conditions at a fair value of \$0.10 per share in connection with the sale of an exploration and evaluation asset. As at August 31, 2024, 1,500,000 common shares (2023 – 1,500,000) have been released from escrow. During the year ended August 31, 2024, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$30,000 (2023 – \$75,000).

Cyclone Metals Ltd. (“Cyclone”)

In May 2023, the Company received 400,000,000 common shares of Cyclone at a fair value of AUS\$0.002 per share in connection with the sale of the Schefferville Property (Note 5). During the year ended August 31, 2024, the Company sold 315,000,000 Cyclone common shares for gross proceeds of \$273,754 and recognized a realized loss of \$296,711. During the year ended August 31, 2024, the Company recorded an unrealized gain on net change in fair value of marketable securities of \$297,641 (2023 – \$373,920).

Surge Battery Metals Corp. (“Surge”)

In October 2023, the Company received 2,000,000 common shares of Surge at a fair value of \$0.59 per share in connection with the Great Texas Spring Property option and joint venture agreement (Note 5). During the year ended August 31, 2024, the Company recorded an unrealized loss on net change in fair value of marketable securities of \$520,000 (2023 – \$nil).

Money Market Funds (“MMF”)

In February 2024, the Company invested \$212,000 in money market funds and a further \$35,000 in April 2024. During the year ended August 31, 2024, the Company recorded an unrealized gain on net change in fair value of marketable securities of \$6,066 (2023 – \$nil).

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4. PROPERTY AND EQUIPMENT

	Computer hardware \$	Equipment \$	Vehicles \$	Total \$
Cost:				
At August 31 2022 and August 31, 2023	33,573	24,740	101,524	159,837
Depreciation:				
At August 31, 2022	31,888	22,741	99,184	153,813
Charge for the year	928	401	700	2,029
At August 31, 2023	32,816	23,142	99,884	155,842
Charge for the year	416	264	548	1,228
At August 31, 2024	33,232	23,406	100,432	157,070
Net book value:				
At August 31, 2023	757	1,598	1,640	3,995
At August 31, 2024	341	1,334	1,092	2,767

5. EXPLORATION AND EVALUATION ASSETS

	Schefferville \$	G-South \$	Great Texas Spring \$	Lakshmi Property \$	Total \$
Balance, August 31, 2022	-	160,000	-	-	160,000
Exploration expenditures:					
Geological	3,801	16,135	-	-	19,936
Staking and claim maintenance costs	-	-	175,027	-	175,027
	3,801	176,135	175,027	-	354,963
Value of common shares received	(724,400)	-	-	-	(724,400)
Gain from sale of asset	720,599	-	-	-	720,599
Write-off of exploration and evaluation properties	-	(176,135)	(22,932)	-	(199,067)
Balance, August 31, 2023	-	-	152,095	-	152,095
Property acquisition costs:					
Cash	-	-	-	206,153	206,153
Common shares	-	-	-	1,160,000	1,160,000
Exploration expenditures:					
Geological	-	-	60,550	16,407	76,957
	-	-	212,645	1,382,560	1,595,205
Value of option payment received	-	-	(500,000)	-	(500,000)
Value of common shares received	-	-	(1,180,000)	-	(1,180,000)
Gain from sale of asset	-	-	1,467,355	-	1,467,355
Balance, August 31, 2024	-	-	-	1,382,560	1,382,560

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Schefferville Properties

In 2011, the Company acquired a 100% interest in a number of properties. These properties are subject to certain royalty interests and NSRs. In May 2022, the Company entered into a Tenement Sale Agreement (“TSA”) with Labrador Iron Pty Ltd. (“Labrador”) whereby the Company will sell its 100% right, title and interest in the Schefferville Properties in exchange for:

- cash payment of AUS\$500,000 on closing (received);
- cash payment of AUS\$1,000,000 on or before May 12, 2023. In the event Labrador does not make this cash payment, Labrador must issue to the Company, for no consideration, that number of common shares of Labrador that is equal to 70% of the fully diluted issued and outstanding share capital of Labrador; and
- Labrador must incur at least AUS\$250,000 in eligible exploration expenses on the Schefferville Properties to keep the properties in good standing to December 31, 2022.

Should Labrador be acquired by an entity listed on a stock exchange (“Listco”) prior to May 12, 2023, Listco must issue to the Company:

- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco’s common shares as traded on the stock exchange prior to the closing date, to be issued within three business days of completion of the transaction with Listco; and
- That number of fully paid common shares in the capital of Listco that is equal to AUS\$500,000, divided by the 10-day VWAP of Listco’s common shares as traded on the stock exchange prior to the closing date, to be issued upon the earlier of either:
 - 12 months from the date of completion of the transaction with Listco; or
 - upon definition of a JORC inferred resource on the Schefferville Properties of not less than 5 Billion tonnes containing iron ore at a grade not less than 28% within 12 months of the execution of the tenement sale agreement.

In April 2023, Labrador was acquired by Cyclone an entity listed on the stock exchange. As a result, in May 2023, Cyclone issued 400,000,000 common shares to the Company with a fair value of AUS\$800,000 to acquire a 100% interest in the Schefferville Properties. M3 and Cyclone mutually agreed that the sale was completed, and Cyclone was relieved of any further commitments as outlined in the TSA. During the year ended August 31, 2024, the Company recognized a \$nil (2023 - \$720,599) gain on recovery of exploration and evaluation assets related to the common shares issued by Cyclone.

Mohave Property

On September 21, 2019, the Company entered into an option agreement with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, “Optionors”) to acquire, by way of option, up to 100% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA (collectively, the “Mohave Mine Gold Property”). Under the terms of the agreement, the Company had the option to earn up to a 100% interest in the Mohave Mine Gold Property by making cash payments of US\$3,575,000 (US\$225,000 paid) and incurring exploration expenditures of US\$1,300,000 (US\$250,000 incurred) over the period ending on or before March 31, 2025.

Upon the completion of all payments, the Company would grant a 1.5% NSR to the Optionors. In July 2020, and later amended, the Company entered into a mineral property option agreement (the “Definitive Agreement”) with Millennial Potash Corp (“MLP”). Under the Definitive Agreement, MLP could earn up to a 90% interest in the Mohave Mine Gold Property by making cash payments of \$6,100,000 (\$450,000 received) and incurring exploration expenditures of \$3,000,000 over the period ending on or before November 4, 2025.

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Mohave Property (continued)

On March 2, 2023, MLP and the Company mutually agreed to terminate the definitive agreement dated July 4, 2020 and as amended in April and October 2022 between MLP and the Company with respect to the Mohave Mine Gold Property. MLP forfeited its right to earn a 90% interest in the Mohave Mine Gold Property. In April 2023, the Company forfeited its right to acquire a 100% interest in the Mohave Mine Gold Property by terminating its agreement with the Optionors dated September 21, 2019.

G-South Property

On April 21, 2022, the Company entered into a mineral claims purchase and sale agreement to acquire 100% of the G-South property, located in the Central Cariboo Region of South Central British Columbia (the "G-South Property"). Under the terms of the agreement, the vendor is to receive a total of \$20,000 (paid) and 200,000 common shares of the Company (issued with a fair value of \$140,000 as consideration for the purchase).

The Company will pay a 2% NSR to the vendor on commencement of commercial production which the Company will have the right, at any time prior to the commencement of commercial production, to purchase 50% of the NSR for \$1,000,000.

The G-South claims expired in February 2024, and the Company does not have intention to renew these claims. As a result, the Company recorded a write of exploration and evaluation assets of \$176,135 during the year ended August 31, 2023.

Great Texas Spring

In April 2023, the Company staked 292 mining claims for a lithium project in the Elko County region of Nevada. The Company incurred \$175,027 in staking and claim maintenance costs. Of these 292 claims, 39 claims had previously been staked by another company, and as a result of title disputes, during the year ended August 31, 2023, the Company wrote-off \$22,932 of costs relating to the disputed claims. The Company holds title to 253 claims ("Great Texas Springs Claims").

On October 24, 2023, the Company obtained regulatory approval from the TSX-V for a mineral property option and joint venture agreement (the "Surge Agreement") with Surge Battery Metals Inc. ("Surge") entered into in July 2023. The Surge Agreement grants Surge the right to earn up to an 80% interest in the Great Texas Spring Claims by making the following payments to the Company on or before the date that is five years from the date of the agreement:

- i. to earn a 50% percent interest Surge must make a cash payment to the Company of \$500,000 (received) and must issue to the Company a total of 2,000,000 (issued at a value of \$1,180,000 (Note 3)) of Surge's common shares upon Closing;
- ii. to earn an additional 20% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of \$250,000, issue to the Company a total of 2,000,000 of Surge's common shares and make \$250,000 in exploration expenditures; and
- iii. to earn an additional 10% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of \$500,000 and issue to the Company a total of 1,000,000 of Surge's common shares.

In August 2024, the Company entered into a mineral property option purchase and sale agreement ("Surge Purchase Agreement") with Surge for Surge to acquire the remaining 50% interest in the Great Texas Springs Claims for 1,200,000 common shares of Surge. The Surge Purchase Agreement, superseding the Surge Agreement, is subject to Exchange approval, and will terminate if closing of the Surge Purchase Agreement has not occurred on or before June 30, 2025.

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5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Lakshmi Property

On October 19, 2023, the Company obtained regulatory approval from the TSX-V of a mineral property option agreement entered into in May 2023 (the "Lakshmi Option Agreement") with IMEx Consultants Inc. ("IMEx") to acquire up to an eighty (80%) percent interest in the Lakshmi Property (the "Lakshmi Property") located in California.

To obtain a 60% interest in the Lakshmi Property, the Company must:

- i. Issue 2,000,000 shares (issued) to IMEx and pay a sum of US\$150,000 (paid) upon regulatory approval of the Lakshmi Option Agreement; and
- ii. Incur US\$400,000 in exploration expenditures on the Lakshmi Property within twelve months of regulatory approval of the Lakshmi Option Agreement (see below).

The Company can acquire the additional twenty (20%) percent interest in the Lakshmi Property by issuing an additional 2,000,000 shares to the Vendor and incurring an additional US\$2,000,000 in exploration expenditures on the Lakshmi Property within thirty-six months of regulatory approval of the Lakshmi Option Agreement.

On November 1, 2024, the Company and IMEx amended the Lakshmi Option Agreement to eliminate the US\$400,000 exploration expenditure requirement resulting in the Company earning the 60% interest in the Lakshmi Property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2024	August 31, 2023
	\$	\$
Accounts payable	5,793	14,405
Accrued liabilities	98,200	94,144
	103,993	108,549

7. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value.

During the year ended August 31, 2024:

- a) The Company issued 2,000,000 common shares of the Company with a fair value of \$1,160,000 in connection to the Lakshmi Option Agreement (Note 5).

During the year ended August 31, 2023:

- a) In February 2023, the Company closed a private placement of 5,000,000 units at a price of \$0.24 per unit for gross proceeds of \$1,200,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable for two years at a price of \$0.32 per share.

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8. RESERVES

Stock options

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan and the policies of the TSX-V.

A summary of stock option activities is as follows:

	Number of options #	Weighted average exercise price \$
Balance, August 31, 2022	297,000	1.70
Granted	800,000	0.47
Cancelled	(297,000)	1.70
Balance, August 31, 2023 and 2024	800,000	0.47

A summary of the options outstanding and exercisable at August 31, 2024 is as follows:

Stock Options Outstanding and Exercisable	Exercise Price \$	Expiry Date
#		
800,000	0.47	April 27, 2028
800,000		

The weighted average life of the outstanding stock options is 3.66 (2023 – 4.66) years.

On December 1, 2022, 297,000 stock options with an expiry date of May 13, 2024 were cancelled. As a result, \$762,102 representing the value of the reserves, was reclassified from reserves to deficit.

In April 2023, the Company granted 800,000 stock options to various directors and a consultant of the Company at an exercise price of \$0.47 per share for a period of five years, vesting immediately. The options were valued at \$320,000 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 2.98%, volatility of 149.44%, and nil forecasted dividend yield.

Warrants

In February 2023, 5,000,000 share purchase warrants were issued in connection with the February private placement.

A summary of share purchase warrant activities is as follows:

	Number of warrants #	Weighted average exercise price \$
Balance, August 31, 2022	-	-
Issued	5,000,000	0.32
Balance, August 31, 2023 and 2024	5,000,000	0.32

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8. RESERVES (continued)

Warrants (continued)

A summary of the warrants outstanding and exercisable at August 31, 2024 is as follows:

Warrant Outstanding and Exercisable	Exercise Price	Expiry Date
#	\$	
5,000,000	0.32	February 7, 2025*
5,000,000		

*On October 24, 2024, The expiry date of these warrants have been extended from February 7, 2025 to February 7, 2028.

The weighted average life of the outstanding warrants is 0.44 (2023 – 1.44) years.

9. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Summary of key management personnel compensation:

	For the year ended August 31,	
	2024	2023
	\$	\$
Consulting and directors' fees	263,000	263,000
Share-based compensation	-	180,000
Total	263,000	443,000

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the year ended August 31,	
	2024	2023
	\$	\$
Office and administration – Rent	13,847	17,100
Travel and related	-	1,000
Total	13,847	18,100

As at August 31, 2024, the Company has \$2,923 (2023 - \$1,415) included in accounts payable and accrued liabilities due to officers, directors and companies controlled by officers and directors. During the year ended August 31, 2023, the Company recognized on a \$59,850 gain on the settlement of debt with Divitiae Resource Ltd. a company controlled by an officer of the Company.

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10. CAPITAL MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, 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 favorable.

The Company's share capital is not subject to any external restrictions. The Company did not change its approach to capital management during the year ended August 31, 2024.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

The Company's financial instruments consist of cash, marketable securities and accounts payable and accrued liabilities. The fair value of these financial instruments, other than marketable securities, approximates their carrying values due to the short-term nature of these instruments. Marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) **Currency risk**

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at August 31, 2024 the Company had foreign currency net monetary financial assets of US\$24,000. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately CDN\$3,200 (US\$2,400).

b) **Credit risk**

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate risk, as the Company has no interest bearing debt subject to floating interest rates.

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11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at August 31, 2024 the Company had a cash balance of \$219,979 to settle current liabilities of \$137,847.

e) Commodity price risk

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors lithium prices to determine the appropriate course of action to be taken.

12. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation properties. Geographic information is as follows:

	As at August 31, 2024		
	Canada	US	Total
	\$	\$	\$
Property and equipment	2,767	-	2,767
Exploration and evaluation properties	-	1,382,560	1,382,560
	2,767	1,382,560	1,385,327

	As at August 31, 2023		
	Canada	US	Total
	\$	\$	\$
Property and equipment	3,995	-	3,995
Exploration and evaluation properties	-	152,095	152,095
	3,995	152,095	156,090

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13. INCOME TAX

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

	For the year ended August 31,	
	2024	2023
	\$	\$
Income (loss) before income taxes	102,461	(1,274,146)
Expected income tax (recovery)	28,000	(344,000)
Change in statutory, foreign tax, foreign exchange rates and other	(31,000)	(175,000)
Permanent difference	(172,000)	195,000
Adjustment to prior years provision versus statutory tax returns	773,000	-
Change in unrecognized deductible temporary differences	(556,000)	324,000
Total income tax expense (recovery)	42,000	-

Significant components of unrecognized temporary differences and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	As of August 31,			
	2024	Expiry dates	2023	Expiry dates
	\$		\$	
Exploration and evaluation properties	15,898,000	2024 to 2044	19,896,000	2023 to 2043
Investment tax credit	1,094,000	2032 to 2044	1,094,000	2032 to 2043
Property and equipment	293,000	No Expiry	293,000	No Expiry
Marketable securities	1,503,000	No Expiry	1,291,000	No Expiry
Allowable capital losses	-	No Expiry	6,000	No Expiry
Non-capital losses				
Canada	14,927,000	2031 to 2044	14,557,000	2031 to 2043
USA	1,571,000	No Expiry	(10,000)	No Expiry

Tax attributes are subject to review, and potential adjustment, by tax authorities.