

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of New Tymbal Resources Ltd. (formerly Tymbal Resources Ltd.)

Opinion

We have audited the financial statements of New Tymbal Resources Ltd. (formerly Tymbal Resources Ltd.) (the "Company"), which comprise the statements of financial position as at January 31, 2024 and 2023, and the statements of operations and comprehensive loss, changes in shareholders' deficit, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenues, incurred negative cash flows from operations, and incurred a net loss of \$608,629 during the year ended January 31, 2024 and, as of that date, the Company has a working capital deficit of \$3,095,307 and an accumulated deficit of \$12,665,330. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 financial statements for the year ended January 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and 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 Henry Chow.

A handwritten signature in black ink that reads "SATURNA GROUP LLP". The letters are cursive and connected, with a large initial 'S'.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 30, 2024

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Statements of Financial Position

(Expressed in Canadian dollars)

| | January 31, 2024 \$ | January 31, 2023 \$ |
|--|---------------------------|---------------------------|
| Assets | | |
| Current assets | | |
| Cash | 22,568 | 3,798 |
| Amounts receivable | 5,081 | 5,633 |
| Prepaid expenses and deposits | 25,731 | 28,231 |
| Total current assets | 53,380 | 37,662 |
| Non-current assets | | |
| Exploration and evaluation assets (Note 3) | 270,258 | 283,109 |
| Total assets | 323,638 | 320,771 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 4) | 54,072 | 2,744,699 |
| Loans payable (Note 5) | – | 1,271,700 |
| Total current liabilities | 54,072 | 4,016,399 |
| Non-current liabilities | | |
| Loans payable (Note 5) | 4,573,815 | – |
| Total liabilities | 4,627,887 | 4,016,399 |
| Shareholders' deficit | | |
| Share capital (Note 7) | 8,353,581 | 8,353,581 |
| Share-based payment reserve | 7,500 | 7,500 |
| Deficit | (12,665,330) | (12,056,709) |
| Total shareholders' deficit | (4,304,249) | (3,695,628) |
| Total liabilities and shareholders' deficit | 323,638 | 320,771 |

Nature of business and continuing operations (Note 1)

Contingency (Note 12)

Subsequent event (Note 14)

Approved and authorized for issuance on behalf of the Board on May 30, 2024:

/s/ "Hayden Ross"

Hayden Ross, Director

/s/ "Sammy Cheng"

Sammy Cheng, Director

(The accompanying notes are an integral part of these financial statements)

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

| | Year ended January 31, 2024 \$ | Year ended January 31, 2023 \$ |
|---|---|---|
| Expenses | | |
| Accounting and audit | 9,661 | 8,500 |
| Administration fees (Note 6) | 43,560 | 43,560 |
| Mineral tenure litigation (Note 12) | 23,604 | 50,695 |
| Office and general (Note 6) | 63,830 | 63,007 |
| Regulatory compliance (Note 6) | 43,200 | 43,200 |
| Rent (Note 6) | 18,000 | 18,000 |
| Transfer agent and filing fees (Note 6) | 11,207 | 11,855 |
| Travel (Note 6) | 12,177 | 10,620 |
| Total expenses | 225,239 | 249,437 |
| Loss before other expense | (225,239) | (249,437) |
| Other expense | | |
| Interest expense (Note 5) | (383,382) | (221,543) |
| Net loss and comprehensive loss | (608,621) | (470,980) |
| Loss per share, basic and diluted | (0.03) | (0.03) |
| Weighted average number of common shares outstanding | 17,941,983 | 17,881,709 |

(The accompanying notes are an integral part of these financial statements)

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Statements of Changes in Shareholders' Deficit

(Expressed in Canadian dollars)

| | Share capital | | Share-based payment reserve \$ | Deficit \$ | Total shareholders' deficit \$ |
|---------------------------|---------------------|--------------|---|---------------|---|
| | Number of shares | Amount \$ | | | |
| Balance, January 31, 2022 | 16,941,983 | 8,323,581 | 7,500 | (11,585,729) | (3,254,648) |
| Shares issued for cash | 1,000,000 | 30,000 | – | – | 30,000 |
| Net loss for the year | – | – | – | (470,980) | (470,980) |
| Balance, January 31, 2023 | 17,941,983 | 8,353,581 | 7,500 | (12,056,709) | (3,695,628) |
| Net loss for the year | – | – | – | (608,621) | (608,621) |
| Balance, January 31, 2024 | 17,941,983 | 8,353,581 | 7,500 | (12,665,330) | (4,304,249) |

(The accompanying notes are an integral part of these financial statements)

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Statements of Cash Flows

(Expressed in Canadian dollars)

| | Year ended January 31, 2024 \$ | Year ended January 31, 2023 \$ |
|---|---|---|
| Operating activities | | |
| Net loss | (608,621) | (470,980) |
| Items not involving cash: | | |
| Interest expense | 383,382 | – |
| Changes in non-cash working capital items: | | |
| Amounts receivable | 552 | (2,977) |
| Prepaid expenses and deposits | 2,500 | 2,500 |
| Accounts payable and accrued liabilities | 20,606 | 297,454 |
| Net cash used in operating activities | (201,581) | (174,003) |
| Investing activities | | |
| Exploration and evaluation asset expenditures | (22,531) | (116,042) |
| Recoveries from mineral tax credits | 35,382 | – |
| Net cash provided by (used in) investing activities | 12,851 | (116,042) |
| Financing activities | | |
| Proceeds from loans payable | 207,500 | 146,000 |
| Repayment of loans payable | – | (8,500) |
| Proceeds from issuance of common shares | – | 30,000 |
| Share issuance costs | – | – |
| Net cash provided by financing activities | 207,500 | 167,500 |
| Change in cash | 18,770 | (122,545) |
| Cash, beginning of year | 3,798 | 126,343 |
| Cash, end of year | 22,568 | 3,798 |
| Non-cash investing and financing activities: | | |
| Assignment of accounts payable and accrued liabilities to loans payable | 2,711,233 | – |

(The accompanying notes are an integral part of these financial statements)

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

1. Nature of Business and Continuing Operations

New Tymbal Resources Ltd. (formerly Tymbal Resources Ltd.) (the “Company”) was incorporated under the Canada Business Corporations Act on June 10, 1980, and has continued as a company under the Business Corporations Act of British Columbia. The Company’s business objectives are the exploration and evaluation of mineral properties in Canada. The Company is listed on the TSX Venture Exchange and is in the process of exploring its mineral properties. The Company’s corporate office and principal place of business is located at Suite 600, 850 West Hastings Street, Vancouver, British Columbia, Canada.

On April 30, 2024, the Company changed its name to New Tymbal Resources Ltd. As part of the name change, the Company also completed a share consolidation of its issued and outstanding common shares on a basis of 1 new common share for every 3 old common shares. The effects of the share consolidation have been applied on a retroactive basis.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended January 31, 2024, the Company has not generated any revenues and has incurred a net loss of \$608,621. As at January 31, 2024, the Company has a working capital deficit of \$692, and has an accumulated deficit of \$12,665,330. The Company’s ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Use of estimates and judgments

The preparation of these 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 reported amounts of expenses during the reporting year. 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 years. These estimates are based on historical experience, current and future economic conditions, and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company’s ability to continue as a going concern.

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(b) Use of estimates and judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

(c) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Exploration and evaluation expenditures

(i) Exploration and evaluation expenditures

Asset acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of asset acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments relating to assets acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the financial statements upon payment.

Option payments received are treated as a reduction of the carrying value of the related asset until the Company's option and/or royalty payments received are in excess of costs incurred and then are credited to income.

All expenditures related to the cost of exploration and evaluation of assets including acquisition costs for interests in mineral claims are classified and capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be depreciated over the estimated useful life of the property following commencement of commercial production.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carry amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

NEW TYMBAL RESOURCES LTD.

(formerly Tymbal Resources Ltd.)

Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(d) Exploration and evaluation expenditures

(ii) Impairment

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired, or is expected to expire;
- Adverse changes in the taxation, regulatory, or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of operations.

(e) Reclamation and remediation provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit-of-production or straight-line method, depending on the asset to which the obligation relates.

The obligation is increased for accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

NEW TYMBAL RESOURCES LTD.

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Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(f) Financial instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (“FVTPL”).

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial Assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company’s cash is measured at amortized cost.

Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company’s accounts payable and accrued liabilities and loans payable are measured at amortized cost.

Impairment of Financial Assets

The Company applies the expected credit loss (“ECL”) model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

NEW TYMBAL RESOURCES LTD.

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Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(g) 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. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method 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 income 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.

(h) Foreign currency translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(i) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. As at January 31, 2024, the Company has 8,333,333 (2023 – 8,333,333) potentially dilutive shares outstanding.

NEW TYMBAL RESOURCES LTD.

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Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(k) Comprehensive loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. The Company did not have any items impacting comprehensive loss.

(l) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended January 31, 2024, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Exploration and Evaluation Assets

| | Iron Mask \$ |
|---|-----------------|
| <hr/> | |
| Acquisition costs: | |
| Balance, January 31, 2022, 2023, and 2024 | 1,363 |
| <hr/> | |
| Exploration costs: | |
| Balance, January 31, 2022 | 165,704 |
| Consulting | 40,132 |
| Geological and surveying | 74,117 |
| Miscellaneous | 1,793 |
| <hr/> | |
| Balance, January 31, 2023 | 281,746 |
| Consulting | 22,531 |
| Mineral tax credit recoveries | (35,382) |
| <hr/> | |
| Balance, January 31, 2024 | 268,895 |
| <hr/> | |
| Carrying amounts: | |
| Balance, January 31, 2023 | 283,109 |
| <hr/> | |
| Balance, January 31, 2024 | 270,258 |
| <hr/> | |

Iron Mask Property

The Company has a 100% working interest in the Iron Mask Property consisting of ten mineral claims situated in the Kamloops Mining Division, British Columbia which was acquired for \$6,000 and the issuance of 100,000 common shares of the Company with a fair value of \$40,000. During the year ended January 31, 2008, the carrying value of the property was written down to a nominal value of \$1.

4. Accounts Payable and Accrued Liabilities

| | 2024 \$ | 2023 \$ |
|--|------------|------------|
| Trade payables (Note 6) | 54,072 | 1,427,245 |
| Accrued interest payable (Notes 5 and 6) | – | 1,317,454 |
| <hr/> | | |
| | 54,072 | 2,744,699 |
| <hr/> | | |

During the year ended January 31, 2024, the Company assigned \$2,711,233 (2023 - \$nil) of trade payables and accrued interest payable to loans payable.

NEW TYMBAL RESOURCES LTD.

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Notes to the Financial Statements

Years Ended January 31, 2024 and 2023

(Expressed in Canadian dollars)

5. Loans Payable

- (a) As at January 31, 2024, the Company owed \$3,000,391 (2023 - \$453,500) to companies controlled by a significant shareholder of the Company. The amount owing is unsecured, bears compounded interest at 12% per annum, and is due on or before February 1, 2025. During the year ended January 31, 2024, the amount of \$2,184,086 (2023 - \$nil) was assigned from accounts payable and accrued liabilities to loan payable, the accrued interest was amended from 6% per annum to 12 % per annum commencing August 1, 2024, and the expiry date was extended to February 1, 2025. During the year ended January 31, 2024, the Company incurred \$253,796 (2023 - \$36,778) of interest expense.
- (b) As at January 31, 2024, the Company owed \$1,573,424 (2023 - \$818,200) to a non-related party, of which \$150,023 (2023 - \$150,023) of the amount owing is secured against the assets of the Company. The amount owing bears compounded interest at 12% per annum, and is due on or before February 1, 2025. During the year ended January 31, 2024, the amount of \$527,147 (2023 - \$nil) was assigned from accounts payable and accrued liabilities to loan payable, the accrued interest was amended from 6% per annum to 12 % per annum commencing August 1, 2024, and the expiry date was extended to February 1, 2025. During the year ended January 31, 2024, the Company incurred \$129,586 (2023 - \$65,265) of interest expense.

6. Related Party Transactions

- (a) As at January 31, 2024, included in accounts payable and accrued liabilities is \$7,000 (2023 – \$11,500) due to the directors of the Company. The amounts owing are unsecured, non-interest bearing, and due on demand.
- (b) During the year ended January 31, 2024, the Company incurred administration fees of \$43,560 (2023 – \$43,560) to a company controlled by the President of the Company.
- (c) During the year ended January 31, 2024, the Company incurred office and general expense of \$60,823 (2023 - \$56,621), regulatory compliance expense of \$43,200 (2023 - \$39,600), rent expense of \$18,000 (2023 - \$16,500), transfer agent and filing fees of \$3,631 (2023 - \$2,629), travel expenses of \$4,985 (2023 - \$5,611), and interest expense of \$253,796 (2023 - \$141,686) to companies controlled by a significant shareholder of the Company.

7. Share Capital

Authorized: 400,000,000 common shares without par value

Year ended January 31, 2023

On February 22, 2022, the Company issued 1,000,000 units at \$0.03 per unit pursuant to a private placement for proceeds of \$30,000. Each unit consisted of one common share and one transferable share purchase warrant which entitles the holder to acquire one additional common share at \$0.15 per share until February 21, 2027.

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8. Share Purchase Warrants

The following table summarizes the continuity of common share purchase warrants:

| | Number of warrants | Weighted average exercise price \$ |
|------------------------------------|--------------------|------------------------------------|
| Balance, January 31, 2022 | 7,333,333 | 0.15 |
| Issued | 1,000,000 | 0.15 |
| Balance, January 31, 2023 and 2024 | 8,333,333 | 0.15 |

The outstanding share purchase warrants expire as follows:

| Number of warrants | Exercise price \$ | Expiry date |
|--------------------|-------------------|-------------------|
| 1,666,667 | 0.15 | November 13, 2024 |
| 5,666,666 | 0.15 | January 27, 2027 |
| 1,000,000 | 0.15 | February 21, 2027 |
| <u>8,333,333</u> | | |

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended January 31, 2023.

10. Financial Instruments and Risk Management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

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10. Financial Instruments and Risk Management (continued)

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Foreign Exchange Rate and Interest Rate Risk

The Company is not currently exposed to foreign exchange or interest rate risk.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital is subject to risks associated with fluctuations in the market price of commodities.

11. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

12. Contingency

In May 2016, the Company filed a statement of claim against KGHM Ajax Mining Inc. ("KGHM") for breach of an agreement and for conducting alleged unauthorized exploration work on the Company's Iron Mask property. The Company alleges that, in September 2013, it entered into an agreement with KGHM to sell the Iron Mask mineral claims for \$1,350,000 and that KGHM breached the terms of the agreement and commenced unauthorized exploration activity on the Iron Mask property in October 2014. On November 27, 2014, KGHM applied to have its Mines Act permit amended to remove the requirement for permission from the Company. KGHM's Mines Act permit was amended on December 12, 2014 effectively evicting the Company off its own mineral tenure claims. The statement of claim is ongoing and although the Company is confident that they will be successful in this claim, the outcome of the claim is unknown and cannot be quantified.

13. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rates) of the significant temporary differences, which comprise of deferred income tax assets and liabilities, are as follows:

| | 2024 | 2023 |
|---|-----------|-----------|
| | \$ | \$ |
| Canadian statutory income tax rate | 27% | 27% |
| Income tax recovery at statutory rate | (164,328) | (127,165) |
| Tax effect of: | | |
| Permanent differences and other | (54) | — |
| Change in unrecognized deferred income tax assets | 164,382 | 127,165 |
| Income tax provision | — | — |

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13. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities are as follows:

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Deferred income tax assets | | |
| Non-capital losses carried forward | 1,861,373 | 1,696,194 |
| Share issuance costs | 756 | 1,607 |
| Resource properties | 82,878 | 82,824 |
| Total gross deferred income tax assets | 1,945,007 | 1,780,625 |
| Unrecognized deferred income tax assets | (1,945,007) | (1,780,625) |
| Net deferred income tax asset | – | – |

As at January 31, 2024, the Company has non-capital losses carried forward of \$6,893,972 which are available to offset future years' taxable income. These losses expire as follows:

| | \$ |
|------|-----------|
| 2026 | 130,005 |
| 2027 | 156,823 |
| 2028 | 245,062 |
| 2029 | 262,038 |
| 2030 | 242,993 |
| 2031 | 267,676 |
| 2032 | 278,441 |
| 2033 | 347,034 |
| 2034 | 326,761 |
| 2035 | 307,225 |
| 2036 | 361,519 |
| 2037 | 414,742 |
| 2038 | 453,040 |
| 2039 | 528,597 |
| 2040 | 612,789 |
| 2041 | 411,556 |
| 2042 | 461,770 |
| 2043 | 474,130 |
| 2044 | 611,771 |
| | 6,893,972 |

The Company also has available mineral resource related expenditure pools totalling \$577,214, which may be deducted against future taxable income on a discretionary basis.

14. Subsequent Event

On April 30, 2024, the Company changed its name to New Tymbal Resources Ltd. As part of the name change, the Company also completed a share consolidation of its issued and outstanding common shares on a basis of 1 new common share for every 3 old common shares. The effects of the share consolidation have been applied on a retroactive basis.