

AURUM LAKE MINING CORPORATION
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

Notice of Disclosure of Non-Auditor Review of Unaudited Interim Condensed Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the unaudited interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed financial statements of Aurum Lake Mining Corporation (the "Company") for the period ended September 30, 2024, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management.

The Company's independent auditors, MNP LLP, have not performed a review of the unaudited interim condensed financial statements for the period ended September 30, 2024 in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Financial Position

As at September 30, 2024 and December 31, 2023

(Expressed in Canadian dollars)

	Notes	September 30, 2024	December 31, 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		963,923	2,229,431
HST receivable		83,453	43,036
Prepaid expenses	7	-	100,000
		1,047,376	2,372,467
Mineral exploration and evaluation	5	228,774	-
Prepaid expenses	5	-	44,148
		1,276,150	2,416,615
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		46,086	275,211
		46,086	275,211
Shareholders' equity			
Common shares	6(a)	2,943,699	2,831,725
Warrants	6(b)	53,379	68,369
Reserves	6(c)	116,214	148,948
(Deficit)		(1,883,228)	(907,638)
		1,230,064	2,141,404
		1,276,150	2,416,615

Nature of operations and going concern (Note 1)

Commitments (Note 10)

Approved on behalf of the Board

"Harry Tian", Director

"Patrick Sapphire", Director

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Loss and Comprehensive Loss

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

	3 months ended September 30, 2024	3 months ended September 30, 2023	9 months ended September 30, 2024	9 months ended September 30, 2023
	\$		\$	\$
Bank charges	372	191	1,450	1,476
Business development	27,143	67,943	101,316	132,517
Consulting fees	7 117,794	-	412,397	-
Promotion expenses	22,500	-	96,250	-
Insurance	-	-	30,284	-
Occupancy and office expenses	9,042	-	39,658	-
Filing and transfer agent expenses	8,005	414	32,924	18,753
Professional fees	99,045	39,887	337,101	147,442
	<u>283,901</u>	<u>108,435</u>	<u>1,051,380</u>	<u>300,188</u>
(Loss) from operations	(283,901)	(108,435)	(1,051,380)	(300,188)
Interest income	2,271	4,846	51,790	9,846
Other income	6(a) -	-	24,000	-
Net loss and comprehensive loss	<u>(281,630)</u>	<u>(103,589)</u>	<u>(975,590)</u>	<u>(290,342)</u>
Net loss per share				
Basic and diluted	<u>(0.013)</u>	<u>(0.006)</u>	<u>(0.044)</u>	<u>(0.018)</u>
Weighted average number of shares outstanding				
Basic and diluted	<u>22,331,672</u>	<u>16,500,000</u>	<u>22,149,019</u>	<u>16,500,000</u>

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

AURUM LAKE MINING CORPORATION

Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

Notes	Common shares		Warrants	Reserves	Deficit	Total shareholders' equity
	Number	Amount				
		\$	\$	\$	\$	\$
Balance at December 31, 2022	16,500,000	888,139	14,990	148,948	(462,659)	589,418
Net loss	-	-	-	-	(290,342)	(290,342)
Balance at September 30, 2023	16,500,000	888,139	14,990	148,948	(753,001)	299,076
Balance at December 31, 2023	21,740,000	2,831,725	68,369	148,948	(907,638)	2,141,404
Shares issued on exercise of options 6(a)	362,500	68,984	-	(32,734)	-	36,250
Shares issued on exercise of warrant: 6(8)	280,000	42,990	(14,990)	-	-	28,000
Net loss	-	-	-	-	(975,590)	(975,590)
Balance at September 30, 2024	22,382,500	2,943,699	53,379	116,214	(1,883,228)	1,230,064

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

AURUM LAKE MINING CORPORATION

Unaudited Interim Condensed Statements of Cash Flows For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

	Notes	9 months ended September 30, 2024 \$	9 months ended September 30, 2023 \$
Operating activities			
Net loss		(975,590)	(290,342)
Items not involving cash			
Changes in non-cash working capital		(169,542)	8,497
		(1,145,132)	(281,845)
Investing activities			
Cash paid for mineral exploration and evaluation	5	(184,626)	-
		(184,626)	-
Financing activities			
Shares issued for cash	6	64,250	-
		64,250	-
Increase in cash and cash equivalents		(1,265,508)	(281,845)
Cash and cash equivalents, beginning of period		2,229,431	705,653
Cash and cash equivalents, end of period		963,923	423,808
Supplemental cash flow information			
Prepaid expenses reclassified to exploration and evaluation assets		(44,148)	-

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

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

1. Nature of Operations and going concern

Aurum Lake Mining Corporation (“Aurum” or the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on June 2, 2021. On April 25, 2024 it has completed its continuation from British Columbia into the jurisdiction of the Cayman Islands. The Company’s head office is 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. Its registered and records office in Cayman Islands is at Floor 2, Willow House, Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands.

The Company was incorporated for the purpose to be a Capital Pool Company (“CPC”) as per the policy 2.4 of the TSX Venture Exchange (the “Exchange”) with a view to complete a Qualifying Transaction. On January 12, 2024, it completed a Qualifying Transaction (See Note 5) and its shares are traded on the Toronto Stock Exchange Venture with a symbol “ARL”. Its main business is mineral properties exploration and evaluation.

These unaudited interim condensed financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with working capital of \$1,001,290 as of September 30, 2024 (December 31, 2023 - \$2,097,756) and incurred a net loss of \$975,590 for the period ended September 30, 2024 (2023 - \$290,342).

The ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain equity financing, or to ultimately attain profitable operations in the future. Whether and when the Company can attain profitability and positive cash flows is uncertain. Based on its current plans, budgeted expenditures, and cash requirements, the Management of the Company believes it should be able to finance sufficient cash for its current plans for at least 12 months from September 30, 2024.

For these reasons, the Company continues to adopt the going concern basis in preparing the financial statements.

2. Basis of presentation and statement of compliance

Statement of compliance

These unaudited interim condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The significant accounting policies applied in these financial statements are presented below.

The policies used for preparation of these unaudited interim condensed consolidated financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2023 and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2023.

These unaudited interim condensed financial statements were prepared on a going concern basis under the historical cost convention and these financial statements were authorized for issuance by the Board of Directors of the Company on November 28, 2024.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

2. Basis of presentation and statement of compliance (continued)

Functional and presentation currency

These financial statements have been presented in Canadian dollars (“\$”) which is the functional currency of the Company.

Mineral exploration and evaluation expenditures

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred. Pre-exploration costs are those incurred prior to obtaining the legal right to explore.

ii) Exploration and evaluation expenses

Once the legal right to exploration a property has been acquired, costs directly related to exploration and evaluation (“E&E”) expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the year in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain E&E expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transfer on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

iii) Developed and producing properties

Once technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and is classified as property, plant and equipment. Once commercial production has commenced, these costs are amortized using the units-of-production method based on proven and probable reserves. Production facilities and equipment are stated at cost and are depreciated using the units-of-production method at rates sufficient to depreciate the assets over their estimate useful lives, not to exceed the life of the mine to which the assets relate.

Rehabilitation 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 evaluation and exploration assets. 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 exploration or development of mineral exploration and exploration assets.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

2. Basis of presentation and statement of compliance (continued)

The obligation is increased for the 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.

Flow-through shares

From time to time the Company will issue flow-through common shares to finance a portion of its exploration program. These shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company splits the flow-through shares into: a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and share capital. When expenses are renounced with the appropriate tax filings made in a prescribed manner to the government, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income.

Proceeds received from the issuance of flow-through shares are to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with government's flow-through regulations. When applicable, this tax is accrued as a financial expense until paid. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

3. Critical accounting judgements and estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results could differ from these estimates.

The critical accounting estimates and judgements used for preparation of these unaudited interim condensed financial statements were the same as the audited financial statements of the Company for the year ended December 31, 2023, unless otherwise noted below.

Exploration and exploration expenditures

In situations where indicators of impairment are present for the Company's mineral exploration and evaluation assets, estimates of recoverable amount must be determined as the higher of the cash generating unit (CGU)'s estimate value in use or the estimated fair value less costs to sell.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

3. Critical accounting judgements and estimates (continued)

Management uses judgement in determining whether or not there are indicators of impairment for its CGUs. The results of management's assessment could result in an impairment test not being performed when indicators did in fact exist, which could impact the valuation of the CGU's carrying values. Management uses judgement in determining what constitutes a CGU and identifies that currently there is one CGU – the Homathko Gold Project, see Note 5.

4. Recently issued accounting pronouncements

The Company has determined that new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are either not applicable to the Company or that no material effect is expected on the financial statements as a result of adoption.

5. Mineral exploration and evaluation assets

Homathko Gold Project

The Company entered into an agreement dated December 19, 2022 (the "Option Agreement") with Transition Metals Corp. (the "Optionor"). Pursuant to the Option Agreement, the Optionor has granted the exclusive right and option (the "Option") to the Company to acquire a 100% interest of the Optionor's rights to certain mineral claims known as the Homathko Gold Project, located in the Province of British Columbia (the "Property").

Pursuant to the Option Agreement, the Optionor will retain a net smelter royalty of 2.0% on all mineral production on the Property and the Option is also subject to an underlying net smelter royalty of 1.0% on tenures 1010863, 761502 and 761522 to Nova Royalty Corp. In consideration of the grant of the Option, the Company will pay a total of \$470,000 to the Optionor in cash payments per the schedule listed below, incur work program expenditures on the Property totaling \$500,000 over two years, and make a one-time \$5,000,000 lump sum payment to the Optionor upon the commencement of commercial production, in addition to making such payments as necessary to keep the Property in good standing during the term of the Option.

The cash payments will be made as follows: (i) \$20,000 on signing (paid); (ii) an additional \$100,000 three days following the date the Option Agreement is accepted for filing by the Exchange (the "Effective Date") (paid); (iii) an additional \$150,000 on the first anniversary of the Effective Date; and (iv) an additional \$200,000 on the second anniversary of the Effective Date. The work program expenditures will be made in accordance with the following schedule: (i) \$100,000 by the first anniversary of the Effective Date; and(ii) a cumulative total of \$500,000 by the second anniversary of the Effective Date.

The Option Agreement and the Transaction are subject to a number of conditions including, but not limited to, receipt of all required regulatory approvals, including Exchange approval. The Transaction will be an arm's length transaction, and accordingly, will not require approval of the shareholders of Aurum Lake.

The acquisition is a Qualifying Transaction as per the Exchange policies and was closed on January 12, 2024. As of September 30, 2024, the Company has incurred \$228,774 (December 31, 2023 - \$nil) expenditures on the Homathko Gold Project of which \$44,148 was paid before December 31, 2023 that was recorded as prepaid expenses as of December 31, 2023.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

6. (a) Share capital

Authorized: Unlimited common shares at no par value.

Issued and outstanding: As at September 30, 2024, the Company had 22,382,500 (December 31, 2023 – 21,740,000) common shares issued and outstanding.

In connection with the completion of its proposed qualifying transaction (see Note 5), on December 6, 2023, Aurum completed a non-brokered private placement (the “Concurrent Financing”) of 5,000,000 common shares (the “Common Shares”) in the capital of Aurum at a price of \$0.40 per Common Share and 240,000 common shares in the capital of Aurum, which were designated as a flow-through shares (“FT Shares”) pursuant to the Income Tax Act (Canada), at a price of \$0.50 per FT Share for aggregate proceeds of \$2,120,000. In connection with the Concurrent Financing, Aurum paid aggregate fees to certain arm’s length finders in the amount of \$99,035 and issued common share purchase warrants (“Finder’s Warrants”) to purchase 247,500 Common Shares at a price of \$0.40 per Common Share for a period of 24 months from the date of issuance of the respective Finder’s Warrant. The Company recorded \$24,000 flow through premium that is included in the accounts payable and accrued liabilities. There was no qualified exploration expenditure occurred as of December 31, 2023. In the period ended September 30, 2024 the Company renounced under a Look-back Rule the exploration expenses to flow through shareholders and recorded \$24,000 other income on derecognizing the flow through premium.

On January 23, 2024, a former director of the Company exercised 362,500 options at price of \$0.10 per share for 362,500 common shares of the Company.

On July 10, 2024, 280,000 Agents Warrants issued on July 19, 2022 were exercised into 280,000 common shares at \$0.10 per share. \$42,990 was recorded as share capital for the 280,000 shares, including \$14,990 the grant date value of the 280,000 Agents Warrants.

The Company’s directors and officers have signed an escrow agreement and have placed 13,000,000 common shares into escrow. It will be released from escrow in stages over a period of 18 months from the date of the Final Qualifying Transaction Exchange Bulletin. As at September 30, 2024, there are 6,50,000 (December 31, 2023 – 13,000,000) common shares in escrow.

(b) Warrants

Warrants	Number of Warrants	Weighted Average Exercise Price (C\$)	Weighted average remaining contractual life (years)
Balance December 31, 2022	280,000	0.10	1.55
Issued	247,500	0.40	1.75
Balance December 31, 2023	527,500	0.24	0.95
Exercised	(280,000)	0.10	-
Balance September 30, 2024	247,500	0.40	1.18

On December 6, 2023, on the closing of the private placement as described in the Note 6(a), the Company issued 247,500 Finder’s Warrants. Each Finder’s Warrant entitles the Holder to subscribe for one common share of the Company at an exercise price of \$0.40 per share before December 6, 2025. The value of the Finder’s Warrants is determined to be \$53,379 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 3.91%, expected life of 2 years, and stock price volatility of 100%.

In the period in 2024, 280,000 Agents Warrants were exercised into 280,000 common shares.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

(c) Options

Options	Number of options	Weighted Average Exercise Price (C\$)	Weighted average remaining contractual life (years)
Balance December 31, 2022 and 2023	1,650,000	0.10	8.75
Exercised	362,500	0.10	
Balance September 30, 2024	1,287,500	0.10	8.00

7. Related party transactions

All transactions with related parties have occurred in the normal course of business operations.

In December 2023, the Company prepaid two of its officers and consultants who were proposed directors on the Closing of QT in total of \$100,000 for services to be provided in the year ending December 31, 2024. In the period ended September 30, 2024, \$272,900 (2023 - \$nil) consulting fees were charged by two companies controlled by two directors of the Company. \$33,000 (2023 - \$10,000) professional fees were charged by a company controlled by the Company's CFO.

On January 23, 2024, a former director of the Company exercised 362,500 options at an exercise price of \$0.10 per share for 362,500 common shares of the Company.

8. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The Company's maximum exposure to this risk is equal to the carrying amount of these financial asset. The cash is held with a financial institution which is highly rated. The Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities.

Aurum Lake Mining Corporation
Notes to the Unaudited Interim Condensed Financial Statements
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

9. Capital management

The Company's objectives when managing its capital are to maintain a sufficient capital base to: (i) meet its short-term obligations, (ii) sustain future operations and expansions, (iii) ensure its ability to continue as a going concern, and (iv) retain stakeholder confidence and value. The Company defines capital as its net assets, total assets less total liabilities. The company is not subject to any externally imposed capital requirements. As at September 30, 2024, the Company managed net asset of \$1,230,064 (December 31, 2023 - \$2,141,404).

10. Commitment

See Note 5.