



Midnight Sun Mining Corp.

Condensed Consolidated Interim Financial Statements

For the three and nine month periods ended September 30, 2024, and 2023

*(Expressed in Canadian Dollars)
(Unaudited)*

Notice of No Review of Condensed Consolidated Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

Midnight Sun Mining Corp.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As At	September 30, 2024	December 31, 2023
ASSETS		
Current		
Cash and cash equivalents	\$ 2,676,390	\$ 23,883
Advances and deposits	286,383	49,576
Short-term investments (note 3(d))	5,085,671	-
Receivables	54,849	31,214
	8,103,293	104,673
Right-of-use asset (note 4)	313,302	371,335
Non-current investments (note 9)	700,000	525,000
Exploration and evaluation assets (note 5)	12,957,223	12,957,223
Total Assets	\$ 22,073,818	\$ 13,958,231
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 103,635	\$ 110,486
Lease liabilities (note 6)	67,140	62,185
Due to related parties (note 9)	6,920	81,383
Loans payable (note 7)	-	163,000
	177,695	417,054
Non-current portion of lease liabilities (note 6)	263,702	314,090
Total Liabilities	441,397	731,144
Shareholders' Equity		
Share capital (note 8)	31,740,486	22,082,698
Reserves – options (note 8)	3,257,817	2,608,547
Reserves – warrants (note 8)	673,961	271,657
Deficit	(16,074,529)	(13,770,501)
	19,597,735	11,192,401
Non-controlling interest (note 5)	2,034,686	2,034,686
Total Shareholders' Equity	21,632,421	13,227,087
Total Liabilities and Shareholders' Equity	\$ 22,073,818	\$ 13,958,231

Nature of operations (note 1)

Approved and authorized by the Board of Directors on November 20, 2024:

“Robert Sibthorpe”
Robert Sibthorpe, Director

“Allan Fabbro”
Allan Fabbro, Director

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

Midnight Sun Mining Corp.**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss***(Expressed in Canadian Dollars)**(Unaudited)*

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Expenses				
Accounting and audit fees	\$ 48,990	\$ 28,500	\$ 126,289	\$ 102,951
Accretion on lease liabilities (note 6)	8,334	63	26,155	728
Consulting fees (note 9)	39,176	21,070	65,504	63,749
Depreciation expense (note 4)	19,581	4,462	58,744	17,846
Exploration cost (note 5)	155,831	40,783	254,585	237,662
Foreign exchange loss (gain)	13,536	5,345	14,955	4,309
Investor and shareholder relations	173,393	55,029	419,098	161,593
Legal fees	12,969	1,125	106,792	25,166
Office services and miscellaneous	10,479	11,828	16,476	64,318
Regulatory and transfer agent fees	7,783	6,558	35,146	38,952
Share-based payments (notes 8 and 9)	17,958	618	838,154	525,725
Wages and benefits (note 9)	389,474	100,401	650,254	286,327
	(897,504)	(275,782)	(2,612,152)	(1,529,326)
Allowance for doubtful accounts (note 9)	-	150,000	-	146,135
Loan forgiven (note 7)	-	-	10,000	-
Unrealized gain on investments (note 9)	175,000	-	175,000	-
Interest income (note 9)	113,728	-	123,124	2,482
Loss and comprehensive loss for the period	(608,776)	(125,782)	(2,304,028)	(1,380,709)
Loss attributable to:				
Owners of the parent	(608,776)	(125,782)	(2,304,028)	(1,380,709)
Non-controlling interest	-	-	-	-
	\$ (608,776)	\$ (125,782)	\$ (2,304,028)	\$ (1,380,709)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	165,446,207	118,404,275	141,672,291	118,208,387

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

Midnight Sun Mining Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Attributable to owners of the parent							Non-controlling interest	Total shareholders' equity
	Shares	Amount	Share subscriptions received in advance	Reserves – warrants	Reserves – options	Deficit	Total		
Balance, December 31, 2022	113,004,014	\$ 21,015,097	\$ 5,000	\$ 240,561	\$ 2,109,929	\$ (12,233,295)	\$ 11,137,292	\$ 2,034,686	\$ 13,171,978
Private placement	4,685,000	937,000	(5,000)	-	-	-	932,000	-	932,000
Warrants exercised	542,000	138,210	-	(2,710)	-	-	135,500	-	135,500
Options exercised	350,000	84,857	-	-	(27,107)	-	57,750	-	57,750
Share issuance costs	-	(58,660)	-	-	-	-	(58,660)	-	(58,660)
Share issuance costs – finders' warrants	-	(33,806)	-	33,806	-	-	-	-	-
Share-based payments	-	-	-	-	525,725	-	525,725	-	525,725
Loss for the period	-	-	-	-	-	(1,380,709)	(1,380,709)	-	(1,380,709)
Balance, September 30, 2023	118,581,014	22,082,698	-	271,657	2,608,547	(13,614,004)	11,348,898	2,034,686	13,383,584
Loss for the period	-	-	-	-	-	(156,497)	(156,497)	-	(156,497)
Balance, December 31, 2023	118,581,014	22,082,698	-	271,657	2,608,547	(13,770,501)	11,192,401	2,034,686	13,227,087
Private placement	45,454,544	10,000,000	-	-	-	-	10,000,000	-	10,000,000
Options exercised	1,255,000	438,934	-	-	(188,884)	-	250,050	-	250,050
Warrants exercised	338,440	103,084	-	(1,552)	-	-	101,532	-	101,532
Share issuance costs	-	(480,374)	-	-	-	-	(480,374)	-	(480,374)
Share issuance costs – finders' warrants	-	(403,856)	-	403,856	-	-	-	-	-
Share-based payments	-	-	-	-	838,154	-	838,154	-	838,154
Loss for the period	-	-	-	-	-	(2,304,028)	(2,304,028)	-	(2,304,028)
Balance, September 30, 2024	165,628,998	\$ 31,740,486	\$ -	\$ 673,961	\$ 3,257,817	\$ (16,074,529)	\$ 19,597,735	\$ 2,034,686	\$ 21,632,421

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

Midnight Sun Mining Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine-months period ended September 30,	2024		2023	
Operating activities				
Loss for the period	\$	(2,304,028)	\$	(1,380,709)
Items not affecting cash:				
Depreciation		58,744		17,846
Accretion on lease liabilities		26,155		728
Change in allowance for doubtful accounts		-		(146,135)
Share-based payments		838,154		525,725
Unrealized foreign exchange		-		(1,966)
Loan forgiven		(10,000)		-
Unrealized gain on investments		(175,000)		-
Interest accrued on short-term investments		(85,671)		-
Interest accrued on loans receivable		-		(2,482)
Changes in non-cash working capital items				
Accounts payable and accrued liabilities		(6,851)		(238,259)
Due to related parties		(74,463)		(76,286)
Accounts receivable		(23,635)		(3,616)
Advances and deposits		(236,807)		(34,005)
		(1,993,402)		(1,339,159)
Investing activities				
Acquisition of short-term investments		(5,000,000)		-
		(5,000,000)		-
Financing activities				
Proceeds from private placements		10,000,000		932,000
Proceeds from warrant exercises		101,532		135,500
Proceeds from option exercises		250,050		57,750
Proceeds from loans payable		73,750		-
Loan repayments made		(226,750)		-
Loan repayments received		-		270,552
Share issuance costs		(480,374)		(58,660)
Payments toward lease liabilities		(72,299)		(19,914)
		9,645,909		1,317,228
Net change in cash		2,652,507		(21,931)
Cash, beginning of period		23,883		40,483
Cash, end of period	\$	2,676,390	\$	18,552
SUPPLEMENTAL NON-CASH DISCLOSURES				
Fair value of options reclassified to reserves on exercise	\$	188,884	\$	27,107
Adjustment to lease liabilities and right of use assets	\$	711	\$	757
Valuation of finders' warrants included in share issuance costs	\$	403,856	\$	33,806
Fair value of warrants reclassified to reserves on exercise	\$	1,552	\$	2,710

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

1. Nature of Operations

Midnight Sun Mining Corp. (the “Company”) was incorporated on April 11, 2007 pursuant to the Business Corporations Act of British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company’s efforts are devoted to financing and exploring these property interests. There has been no determination whether the Company’s interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “MMA”, and its corporate head office is located at Suite 1205, 789 West Pender Street, Vancouver, BC.

2. Basis of Presentation

a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed consolidated interim financial statements have been prepared in accordance with international Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 20, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2023. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2023, could result in restatement of these unaudited condensed consolidated interim financial statements.

b) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses and the statement of financial position classifications used.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

2. Basis of Presentation (*continued*)

b) Going concern (*continued*)

During the nine-month period ended September 30, 2024, and the year ended December 31, 2023, the Company experienced operating losses before income taxes and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of share capital. The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

As at September 30, 2024, the Company had an accumulated deficit of \$16,074,529 (December 31, 2023 - \$13,770,501) and had a working capital of \$7,925,598 (December 31, 2023 – working capital deficiency of \$312,381). Management has estimated that the Company has adequate financing to complete all currently planned exploration programs. Continued operations are dependent on the Company's ability to complete public equity financing, secure project debt financing or generate profitable operations in the future.

In the event cash flow from operations, if any, together with the proceeds for any future financings are insufficient to meet the Company's operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

These condensed consolidated interim financial statements do not give effect to adjustments, which could be material, to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

c) Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Control exists when the Company possess power over an investee, has exposure to variable returns from the investee and the ability to use its power over the investee to affect its returns. All significant inter-company transactions have been eliminated upon consolidation. The Company's significant subsidiaries are as follows:

	Country of Incorporation	Effective Interest
Midnight Sun Mining Zambia Limited ("MSM Zambia")	Zambia	100%
Midnight Sun (BVI) One Corp.	BVI	100%
Midnight Sun (BVI) Two Corp.	BVI	100%
Zambian High Light Mining Investment Limited ("ZHLMIL")	Zambia	84.30%
FAMS Mining Zambia Limited ("FAMS")	Zambia	100%

2. Basis of Presentation (*continued*)

d. Functional and presentation currency

The Company's reporting and functional currency is the Canadian dollar. The functional currency of MSM Zambia, Midnight Sun One Co., Midnight Sun Two Co., FAMS, and ZHLMIL is also the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the statement of financial position date while non-monetary assets and liabilities are translated at historical rates, and revenues and expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in the results from operations.

e. Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cashflow information.

f. Estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated financial interim 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 the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

i. Asset carrying values and impairment charges.

At each reporting period, the Company reviews its non-current assets to determine whether there are any indications of impairment. Calculating the estimated recoverable amount of the cash generating unit for non-current asset impairment tests requires management to make estimates and assumptions with respect to estimated recoverable reserves, estimated future commodity prices, the expected future operating and capital costs and discount rates. Changes in any of these assumptions or estimates used in determining the recoverable amount could impact the impairment analysis.

ii. Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

2. Basis of Presentation (*continued*)

f. Estimates and judgments (*continued*)

iii. Share-based payments

Estimating the fair value of granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures and dividend yield and making assumptions about them.

iv. Provision for environmental rehabilitation

The Company assesses its reclamation provisions at each reporting date. Significant estimates and assumptions are made in determining the provision for environmental rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent, cost, and timing of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate, and changes in discount rates. These uncertainties may result in future expenditures differing from the amounts currently provided.

v. Functional currency

Management considers the determination of the functional currency of the Company a significant judgment. Management has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and considered various factors including the currency of historical and future expenditures and the currency in which funds from financing activities are generated. A Company's functional currency is only changed when there is a material change in the underlying transactions, events, and conditions.

vi. Investments

The fair value of financial instruments that are not traded in an active market is estimated on the basis of the price established in recent transactions involving similar instruments or, in the absence thereof, determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

vii. Loans receivable

The Company exercises judgment in identifying impaired loans receivable, the collection of which may be uncertain. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status and days outstanding.

3. Management of Financial Risk

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company has designated its non-current investments at level 2 (Note 9) and its short-term investments at level 1 (Note 3(d)).

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized as follows.

a. Fair value

The carrying value of receivables, loan receivable, short-term investments, accounts payable and accrued liabilities, loan payable, and amounts due to related parties approximated their fair value because of the short-term nature of these instruments.

b. Interest rate risk

The Company has non-material exposure at September 30, 2024 and December 31, 2023, to interest rate risk through its financial instruments.

c. Currency risk

Throughout the nine-month period ended September 30, 2024, and the year ended December 31, 2023, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. The Company is exposed to currency risk due to accounts payable denominated in US Dollars. A 1% change in the foreign exchange rate between the Canadian and US Dollar would not result in a material fluctuation in the loss for the period.

d. Credit risk

The Company has some cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. During the period ended September 30, 2024, the Company purchased a \$5,000,000 six-month locked guaranteed interest certificate with a major Canadian financial institution recognized within short-term investments and valued at \$5,085,671 inclusive of accrued interest, for which Management believes the risk of loss to be remote. The Company also has \$21,140 held with a major financial institution in Zambia. Management believes the risk of loss to be remote.

3. Management of Financial Risk (continued)

d. Credit risk (continued)

Receivables consist of goods and services tax due from the Government of Canada in the amount of \$13,899 and receivables from related companies of \$40,950 for rent payments. The Company considers credit risk associated with these amounts to be low.

e. Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at September 30, 2024, the Company had \$2,676,390 cash (December 31, 2023 – \$23,883) and current liabilities of \$177,695 (December 31, 2023 - \$254,054).

f. Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

4. Right-of-Use Asset

Cost	
Balance, December 31, 2022	\$ 51,087
Adjustment to lease liabilities (note 6)	757
Termination of lease liabilities (note 6)	(51,844)
Additions to lease liabilities (note 6)	390,878
Balance, December 31, 2023	390,878
Adjustment to lease liabilities (note 6)	711
Balance, September 30, 2024	\$ 391,589
Accumulated Depreciation	
Balance, December 31, 2022	\$ 33,998
Depreciation	37,389
Termination of lease liabilities (note 6)	(51,844)
Balance, December 31, 2023	19,543
Depreciation	58,744
Balance, September 30, 2024	\$ 78,287
Carrying Values	
December 31, 2023	\$ 371,335
September 30, 2024	\$ 313,302

5. Exploration and Evaluation Assets

	Solwezi
Balance, December 31, 2022 and 2023, and September 30, 2024	\$ 12,957,223

5. Exploration and Evaluation Assets (*continued*)

Solwezi property

Pursuant to an option agreement, the Company acquired a 60% interest in two Zambian mineral property licences (the “Solwezi Licences”) during the year ended December 31, 2019. The licences are held by a Zambian registered company, ZHLMIL, of which Midnight Sun acquired an initial 60% shareholding from Kam Chuen who retained the remaining 40%. The Company holds its interest in ZHLMIL through the Company’s wholly owned subsidiary, Midnight Sun (BVI) Two Corp. The share transfer from Kam Chuen to Midnight Sun (BVI) Two Corp. occurred on October 20, 2019 and was registered in Zambia with the Patents and Companies Registration Agency. The acquisition was accounted for as an asset acquisition.

On March 1, 2017, the Acting Chief Registrar of Mining Rights issued the licence 21509-HQ-LEL which was in effect for a period of 4 years with the option for future renewals providing the licence is maintained in accordance with the contained terms and the *Mines and Minerals Development Act, 2015*. On February 28, 2021, licence 21509-HQ-LEL was renewed for a further 3-year period and during the period ended September 30, 2024, the Company applied for an extension on 21509-HQ-LEL. In renewing the claim in February 2021, the Company was required to relinquish 50% of the licence area. The relinquished 50% was granted to Rio Tinto Exploration Zambia Limited as licence 28816-HQ-LEL and is held on behalf of the Company as per the terms of the Earn-In and Joint Venture Agreement between Rio Tinto Mining and Exploration Limited (“Rio Tinto”) and Midnight Sun. Following the termination of the Earn-In agreement with Rio Tinto, Rio Tinto is required to transfer licence 28816-HQ-LEL to the Company. Rio Tinto currently holds 28816-HQ-LEL in trust for the Company. During the period ended September 30, 2024, Zambian Mining Cadastre Portal had incorrectly shown the renewal application for license 21509-HQ-LEL as rejected. This has since been updated and the renewal application remains in good standing. As at the date of these financial statements, the renewal of licence 21509-HQ-LEL remains subject to approval.

On November 30, 2018, the Zambian Mining Cadastre issued a renewal of prospecting licence 12124-HQ-LPL as large-scale exploration licence, 12124-HQ-LEL, having an expiration date of December 23, 2021. This renewal was the final renewal period available to ZHLMIL. In accordance with the Mines and Minerals Development Act, 2015, for a period of 12 months, ZHLMIL is precluded from owning the same licence area which expired. In order to preserve the licence area, Rio Tinto formed a new corporation, Solwezi Metals Exploration Ltd., to apply for a new Licence over the same area. The relationship between Solwezi Metals Exploration Ltd. and Midnight Sun is governed by the terms of the Earn-In and Joint Venture Agreement between Rio Tinto and Midnight Sun. Solwezi Metals Exploration Ltd.’s application was accepted by the Zambian Mining Cadastre on November 23, 2021, and licence 30678-HQ-LEL was granted on March 27, 2023. During the period ended September 30, 2024, 30678-HQ-LEL was transferred from Solwezi Metal Exploration Ltd. to the Company’s wholly subsidiary, FAMS.

On September 22, 2020, the Company increased its ownership share in ZHLMIL to 80.65% by participating in an issuance of 16,022 ZHLMIL ordinary shares at a price of \$618.52 with a total value of \$9,909,927. Of the total subscription, 5,756 ZHLMIL ordinary shares were fully paid up based on previous expenditures incurred by the Company in the amount of \$3,560,020. The remaining 10,266 ZHLMIL ordinary shares in the amount of \$6,349,726 were fully paid up by way of exploration expenditures made on behalf of ZHLMIL by the Company or the Company’s former earn-in partner, Rio Tinto during the year ended December 31, 2020. On the acquisition of the additional 20.65% interest in the ZHLMIL, the Company recognized a decrease to the non-controlling interest of \$2,676,818 with a corresponding reduction in deficit.

5. Exploration and Evaluation Assets (*continued*)

Solwezi property (continued)

On December 7, 2022, the Company increased its ownership share in ZHLMIL to 84.30% by participating in an issuance of 7,187 ZHLMIL ordinary shares at a price of \$618.52 with a total value of \$4,445,303. The remaining ordinary shares in the amount were fully paid up by way of exploration expenditures made on behalf of ZHLMIL by the Company or the Company's earn-in partner, Rio Tinto. On the acquisition of the additional 3.64% interest in the ZHLMIL, the Company recognized a decrease to the non-controlling interest of \$343,423 with a corresponding reduction in deficit.

As at September 30, 2024, the only asset held by ZHLMIL is the Solwezi exploration and evaluation asset. There were no operations within ZHLMIL for the period ended September 30, 2024, and accordingly no loss attributed to the NCI.

KoBold Metals Company Joint-Venture

During the period ended September 30, 2024, the Company entered into an earn-in agreement (the "Agreement") with KoBold Metals Company ("KoBold"), whereby KoBold can earn a 75% interest in specific areas (the "Dumbwa Target") within its mineral licence 30678-HQ-LEL by incurring US\$15,000,000 in exploration expenditures and making cumulative cash payments to the Company of US\$500,000 over 4.5 years.

Commencement of the earn-in is subject to a number of conditions, including the reassignment of the licence within which the Dumbwa Target is located to the Company's subsidiary. The Agreement provides that if the conditions are not satisfied by June 1, 2024, the Agreement will terminate. During the period ended September 30, 2024, this date was extended to December 1, 2024. As at the date of these financials commencement of the earn-in has not been completed.

To complete the earn-in requirements, KoBold must pay the Company cash payments on the following schedule:

- On the date when all conditions have been satisfied (the "Agreement Date") - USD \$100,000
- Year 1 anniversary of the Agreement Date - USD \$100,000
- Year 2 anniversary of the Agreement Date - USD \$100,000
- Year 3 anniversary of the Agreement Date - USD \$100,000
- Year 4 anniversary of the Agreement Date - USD \$100,000

In addition to the cash payments, KoBold must complete the following:

- By year 1 anniversary of the Agreement Date – Completion of a minimum of 2,000 metres of diamond core drilling;
- By year 2 anniversary of the Agreement Date – USD\$4,000,000 of cumulative exploration expenditures;
- Year 3 anniversary of the Agreement Date – USD\$7,000,000 of cumulative exploration expenditures; and;
- Year 4.5 anniversary of the Agreement Date – USD\$15,000,000 of cumulative exploration expenditures.

5. Exploration and Evaluation Assets (*continued*)

Upon completion of the obligations under the Earn-In Agreement by KoBold, the parties will form a separate company (the "JV Co"), to be held initially by KoBold and the Company (or their Zambian subsidiaries) as to 75% and 25% respectively. The parties to the JV Co will be subject to the terms of a Shareholder's Agreement, a copy of which is included as an appendix to the Earn-In Agreement. The parties have agreed that the Dumbwa Target will be separated from the Company's existing licence into a new licence, and assigned to JV Co.

As at September 30, 2024, and December 31, 2023, the Company had funded the following cumulative exploration expenditures on the Solwezi Licences:

	September 30, 2024	December 31, 2023
Site and project expenditures:		
Acquisition costs	\$ 12,957,223	\$ 12,957,223
Assays	340,681	340,681
Drilling	4,029,417	4,029,417
Field expenses	1,346,960	1,341,175
General and administrative	1,027,655	960,558
Geological consulting	1,974,884	1,811,195
Licence	275,497	268,870
Travel and accommodation	800,707	789,320
Total operations funded	\$ 22,753,024	\$ 22,498,439

The following table presents the Company's exploration expenditures on the Solwezi Licences for the nine-month periods ended September 30, 2024, and 2023:

	September 30, 2024	September 30, 2023
Site and project expenditures:		
Assays	\$ -	\$ 5,901
Drilling	-	31,229
Field expenses	5,785	21,012
General and administrative	67,097	42,434
Geological consulting	163,689	112,086
Licences	6,627	-
Travel & accommodation	11,387	25,000
Exploration cost	\$ 254,585	\$ 237,662

6. Lease Liabilities

During the year ended December 31, 2021, the Company renewed its office lease for a term of 24 months from September 1, 2021, with expected total payments of \$55,626. Using an annual discount rate of 10%, the Company recognized a lease liability and corresponding right-of-use asset (note 4) of \$50,200 during the year ended December 31, 2021. During the year ended December 31, 2023, because of an amendment to the lease payment schedule, the Company recognized an adjustment to lease liabilities and right-of-use asset (note 4) of \$757. During the year ended December 31, 2023, the lease term expired and was not renewed by the Company.

6. Lease Liabilities (continued)

During the year end ended December 31, 2023, the Company entered into a new office lease for a term of five years from October 1, 2023, with expected total payments of \$496,018. Using an annual discount rate of 10%, the Company recognized a lease liability and corresponding right-of-use asset (note 4) of \$390,878. During the period ended September 30, 2024, the Company recognized an adjustment to lease liabilities and right-of-use asset (note 4) of \$711 due to amendments to the lease payment schedule.

The following is a reconciliation of the changes in the lease liabilities for nine-month period ended September 30, 2024, and year ended December 31, 2023.

	September 30, 2024	December 31, 2023
Opening Balance	\$ 376,275	\$ 18,429
Adjustment	711	757
Additions to lease liabilities	-	390,878
Payments	(72,299)	(43,966)
Lease accretion	26,155	10,177
	330,842	376,275
Lease liabilities, current portion	(67,140)	(62,185)
Lease liabilities, non-current portion	\$ 263,702	\$ 314,090

The following summarizes the undiscounted minimum lease payments under the lease liabilities:

Fiscal Year	Payment
2024	\$ 24,100
2025	97,334
2026	100,139
2027	101,074
2028	77,907
Amount representing future lease accretion	(69,712)
Lease liabilities	\$ 330,842

7. Loans Payable

CEBA loan

As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses are eligible to apply for the Canada Emergency Business Account (the "CEBA"). The CEBA provides companies with a \$40,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended December 31, 2020, the Company applied for the CEBA and received the \$40,000 loan. The CEBA remains interest free until January 18, 2024, and has no fixed repayment schedule. If \$30,000 is repaid on or before January 18, 2024, the remaining \$10,000 will be forgiven. If, at January 18, 2024, any amount remains unpaid, the Company will enter into an extension agreement whereby it will accrue interest at a rate of 5% per annum, with a repayment schedule to be determined at that time. During the period ended September 30, 2024, the Company repaid \$30,000 and the remaining \$10,000 loan was forgiven.

Promissory note

During the year ended December 31, 2023, the Company issued a promissory note to an arm's-length party in the amount of \$100,000. The note is unsecured, matures on June 4, 2024, and bears interest of \$10,000, recognizable immediately. If not repaid by maturity, a penalty of \$10,000 will be applied to the loan balance. During the period ended September 30, 2024, the loan was repaid in full.

Related party loans

During the year ended December 31, 2023, the Company received an aggregate of \$13,000 in unsecured loans from two officers of the Company (note 9). The loans are non-interest bearing and are repayable on demand. During the period ended September 30, 2024, the Company received additional \$73,750 from the two officers under the same terms. During the period ended September 30, 2024, the loans were repaid in full.

A reconciliation of loans payable for the period ended September 30, 2024, and the year ended December 31, 2023 is as follows:

	September 30, 2024	December 31, 2023
Opening balance	\$ 163,000	\$ 40,000
Additions	73,750	113,000
Interest accrued	-	10,000
Repayments	(226,750)	-
Loan forgiven	(10,000)	-
	-	163,000
Current portion of loans payable	-	(163,000)
Non-current portion of loans payable	\$ -	\$ -

8. Share Capital and Reserves

a. Authorised

Unlimited number of common shares authorised, without par value.

b. Share issuances

At September 30, 2024, the Company had 165,628,998 common shares (December 31, 2023 – 118,581,014) issued and outstanding.

2024 share issuances

During the period ended September 30, 2024, the Company closed a non-brokered private placement by issuing 45,454,544 units at a price of \$0.22 per unit for gross proceeds of \$10,000,000. Each unit consists of one common share of the Company and one common share purchase warrant, entitling the holder to purchase one additional common share of the Company at a price of \$0.33 per common share for a period of 36 months. The Company paid finders' fees of \$431,529, issued 1,374,337 finders' warrants with a life of 36-months and exercise price of \$0.33, and issued 588,193 finders' warrants with a life of 36-months and exercise price of \$0.22. The finders' warrants were valued at \$403,856 using the following weighted average Black-Scholes assumptions: risk-free rate of 4.05%, expected life of 3 years, and volatility of 94.76%. In connection with the financing, the Company incurred additional closing costs of \$48,845.

2023 share issuances

During the year ended December 31, 2023, the Company closed a non-brokered private placement by issuing 4,685,000 common share units at a price of \$0.20 per unit for gross proceeds of \$937,000, of which \$5,000 had been received at December 31, 2022. Each unit consist of one common share and one common share purchase warrant exercisable for a period of two years at a price of \$0.30 per common share. The Company paid finder's fees of \$58,660 and issued 292,800 finder's warrants exercisable for a period of two years at a price of \$0.30 per common share. The finder's warrants were valued at \$33,806 using the following Black-Scholes assumptions: risk-free rate of 4.03%, expected life of 2 years, and volatility of 92.74%.

c. Stock options

The Company has a stock option plan (the "Plan") whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option may not be less than the closing price on the TSX-V on the last trading day preceding the grant date. Options granted to directors, officers, employees, and consultants vest upon grant. Options granted in relation to investor relation services vest in equal quarterly intervals over a term of 12 months.

8. Share Capital and Reserves (continued)

c. Stock options (continued)

Stock options outstanding and exercisable are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2022	7,825,000	\$ 0.21
Granted	3,300,000	0.21
Exercised	(350,000)	0.165
Expired/Cancelled	(2,050,000)	0.35
Balance, December 31, 2023	8,725,000	\$ 0.18
Granted	5,150,000	0.24
Exercised	(1,255,000)	0.20
Expired/Cancelled	(150,000)	0.17
Balance, September 30, 2024	12,470,000	\$ 0.20
Exercisable, September 30, 2024	12,020,000	\$ 0.20

During the period ended September 30, 2024, the Company granted 5,150,000 stock options (December 31, 2023 – 3,300,000) with a weighted average fair value of \$0.17 (December 31, 2023 - \$0.16) per option. Total share-based payments recognized for the period ended September 30, 2024, was \$838,154 (2023 - \$525,107) for incentive options granted and vested. The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	September 30, 2024	December 31, 2023
Weighted average share price on date of grant	0.24	\$ 0.21
Risk-free interest rate	3.71%	3.19%
Expected life of option	5 years	5 years
Expected annualized volatility	95.59%	98.12%
Expected dividend rate	0%	0%

At September 30, 2024, the Company has the following stock options outstanding:

Expiry date	Exercise price	Number of stock options outstanding	Weighted average years to expiry
May 6, 2025	\$ 0.135	1,905,000	0.60
April 28, 2026	\$ 0.31	200,000	1.58
August 12, 2027	\$ 0.165	2,950,000	2.87
March 10, 2028	\$ 0.21	2,265,000	3.44
May 9, 2020	\$ 0.225	4,000,000	4.61
May 9, 2025	\$ 0.225	600,000	0.61
June 29, 2029	\$ 0.33	550,000	4.72
		12,470,000	3.14

8. Share Capital and Reserves (*continued*)

d. Warrants

Share purchase warrants outstanding and exercisable are summarized as follows:

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2022	13,718,719	\$ 0.36
Granted	4,977,800	0.30
Exercised	(542,000)	0.25
Expired	(7,557,005)	0.26
Balance, December 31, 2024	10,597,514	0.41
Granted	47,417,074	0.33
Exercised	(338,440)	0.30
Balance, September 30, 2024	57,676,148	0.34

As at September 30, 2024, the Company had the following warrants outstanding:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average years to expiry
July 2, 2025 ¹	\$ 0.50	5,619,714	0.75
January 5, 2025	\$ 0.30	4,639,360	0.27
May 22, 2027 ²	\$ 0.33	46,828,881	2.64
May 22, 2027 ³	\$ 0.22	588,193	2.64
		57,676,148	2.27

1. During the period ended September 30, 2024, the expiration date of these warrants was extended from July 2, 2024, to July 2, 2025.

2. Subsequent to the period ended September 30, 2024, 607,640 of these warrants were exercised for proceeds of \$200,521.

3. Subsequent to the period ended September 30, 2024, 588,193 of these warrants were exercised for proceeds of \$129,403.

9. Related Party Transactions and Key Management Compensation

The Company's related parties at September 30, 2024, consist of 8 officers and directors (and their related companies), as follows:

Name of Related Party	Position	Nature of transaction
Allan J. Fabbro	Director & CEO	Director
Fengjie Huang	Director (Zambian subsidiary)	Management services
Mathew Mackenzie	Secretary	Corporate secretary
Richard J. Mazur	Director	Director
Wayne Moorhouse	Director	Director
Brett Richards	Director	Director
Robert A. Sibthorpe	VP Exploration & Director	Management services
Alastair Brownlow / Red Fern Consulting Ltd.	CFO	Management services

9. Related Party Transactions and Key Management Compensation

Compensation paid or accrued to key management and/or their related companies during the nine-month period ended September 30, 2024, and 2023 was as follows:

Nature of expenditure	For the period ended September 30,	
	2024	2023
Wages and benefits	\$ 493,500	\$ 157,000
Consulting Fees	96,909	85,179
Share-based payments	393,710	392,989
	\$ 984,119	\$ 635,168

Key management consists of those individuals having authority and responsibility for, directly or indirectly, planning, directing, and controlling the activities of the Company.

As at September 30, 2024, \$6,920 (December 31, 2023 - \$81,383) is due to officers, directors, or companies with a director in common for cash advances, unpaid geological consulting fees, unpaid wages and bonuses and unpaid expenses. As at September 30, 2024, \$7,375 (December 31, 2024 - \$nil) has been advanced to directors.

During the period ended September 30, 2024, the Company charged rent of \$54,000 (2023 - \$nil) to two companies related by common directors and officers. As at September 30, 2024, \$40,950 (December 31, 2023 - \$12,600) is included within receivables from related parties.

Non-current Investments

During the year ended December 31, 2020, the Company purchased 2,500,000 common shares of Red Sea Resources Ltd. ("Red Sea") at a price of \$0.01 per common share for a total of \$25,000. Red Sea, a private company, has common officers and directors as the Company and is in the process of identifying and acquiring exploration and evaluation properties in Egypt. During the year ended December 31, 2020, the Company was granted an additional 800,000 common shares of Red Sea valued at \$0.05 per share for a total of 40,000 as a financing fee on the issuance of a USD \$650,000 loan. During the year ended December 31, 2021, the Company was granted an additional 200,000 common shares of Red Sea, valued at \$0.10 per common share on the advance of an additional USD \$100,000 loan.

As at September 30, 2024, the investments were valued at \$0.20 (December 31, 2023 - \$0.15) per common share for a total value of \$700,000 (December 31, 2023 - \$525,000), based on the valuation of recently closed private placements by Red Sea. During the period ended September 30, 2024, the Company recognized an unrealized gain on investments of \$175,000 (2023 - \$nil).

Loans and Debenture Receivable

During the year ended December 31, 2020, the Company issued a promissory note to Red Sea in the amount of USD 650,000 without interest, payable on demand. During the year ended December 31, 2021, the Company extended an additional USD 108,990 to Red Sea, resulting in a total loan of USD 758,990 outstanding (\$962,248).

During the year ended December 31, 2022, the Company entered into an agreement whereby it increased the amount advanced to \$1,331,129 and renegotiated the instrument as a convertible debenture denominated in Canadian dollars, maturing on January 11, 2023, and convertible at \$0.15 per common share. The convertible debenture includes interest of \$63,030 owing at the time of repayment.

9. Related Party Transactions and Key Management Compensation *(continued)*

As at September 30, 2024, the Company had taken an allowance for doubtful accounts of \$981,129 (December 31, 2023 - \$981,129) on the Red Sea loans. During the period ended September 30, 2024, a total of \$nil (year ended December 31, 2023 - \$350,000) was repaid on the loans and reversed against the allowance for doubtful accounts. As at September 30, 2024, a total of \$981,129 (December 31, 2023 - \$1,327,264) was owing.

During the year ended December 31, 2021, the Company issued loans to officers of the Company in the amount of \$173,333. The loans are unsecured, bear interest at 3% per annum, and mature on February 9, 2022. During the year ended December 31, 2022, the Company entered into an amending agreement to extend the maturity of these loans to December 31, 2022. During the year ended December 31, 2023, the Company recognized interest income of \$2,482 on the loans and received repayments of \$120,552.

A reconciliation of the Company's loans and debentures receivable as at September 30, 2024, and December 31, 2023:

	September 30, 2024	December 31, 2023
Opening balance	\$ -	\$ 119,969
Interest accrued	-	2,482
Repayments	-	(470,552)
Change in allowance for doubtful accounts	-	346,135
Foreign exchange	-	1,966
	\$ -	\$ -

10. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. As at September 30, 2024, the Company's exploration and evaluation assets are located in Zambia, Africa and the Company's right-of-use assets are located in Canada.

11. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 3.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

11. Capital Management (*continued*)

In order to facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There was no change to the Company's capital management approach period ended September 30, 2024.

12. Commitments and Contingencies

During the year ended December 31, 2022, the Company's Joint Venture Partners brought an action in Zambia objecting to the Earn-In Agreement, on the basis that the Company has acted in a manner oppressive to the Joint Venture Partner's interest in ZHLMIL. The Company is of the view that the action is without merit and is vigorously defending the action and accordingly, no provision has been recorded in relation to the legal proceedings.

13. Subsequent Event

Subsequent to the period ended September 30, 2024, an aggregate of 1,195,833 warrants were exercised for proceeds of \$329,924.