

SUPERIOR MINING INTERNATIONAL CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF 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 interim 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 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SUPERIOR MINING INTERNATIONAL CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT,
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	October 31, 2024	July 31, 2024
ASSETS		
Current		
Cash	\$ 16,159	\$ 5,538
Receivables (Note 8)	11,485	11,278
	<u>27,644</u>	<u>16,816</u>
Exploration and evaluation assets (Note 4)	<u>7,147,116</u>	<u>6,403,116</u>
	<u>\$ 7,174,760</u>	<u>\$ 6,419,932</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 5 and 8)	\$ 687,578	\$ 662,058
Advances from directors (Note 8)	78,145	79,845
Other liabilities (Note 4)	660,000	-
	<u>1,425,723</u>	<u>741,903</u>
Shareholders' equity		
Capital stock (Note 6)	29,846,821	29,725,341
Contributed surplus (Note 6)	1,919,169	1,523,649
Deficit	<u>(26,016,953)</u>	<u>(25,570,961)</u>
Total shareholders' equity	<u>5,749,037</u>	<u>5,678,029</u>
Total liabilities and shareholders' equity	<u>\$ 7,174,760</u>	<u>\$ 6,419,932</u>

Nature and continuance of operations (Note 1)

Approved and authorized for issue on December 26, 2024 on behalf of the Board of Directors:

<u>"Brent Butler"</u>	Director	<u>"Johnathan More"</u>	Director
Brent Butler		Johnathan More	

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

SUPERIOR MINING INTERNATIONAL CORPORATION
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended October 31,	
	2024	2023
EXPENSES		
Foreign exchange loss (gain)	\$ 492	\$ (379)
Marketing, communication and promotion	15,000	15,000
Office & miscellaneous	601	762
Professional fees (Note 8)	13,750	12,985
Recovery of flow-through premium (Note 6)	-	(78,521)
Regulatory and filing fees	4,149	2,515
Share-based compensation (Notes 6 and 8)	412,000	334,200
Travel and promotion	-	263
Loss and comprehensive loss for the period	\$ (445,992)	\$ (286,825)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	77,992,613	64,923,048

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

SUPERIOR MINING INTERNATIONAL CORPORATION
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of shares	Capital Stock	Contributed Surplus	Deficit	Total equity
Balance, July 31, 2023	64,923,048	\$ 26,667,841	\$ 1,513,600	\$ (25,381,936)	\$ 2,799,505
Share-based compensation	-	-	334,200	-	334,200
Loss for the period	-	-	-	(286,825)	(286,825)
Balance, October 31, 2023	64,923,048	26,667,841	1,847,800	(25,668,761)	2,846,880
Shares issued for exploration and evaluation assets	13,000,000	3,057,500	-	-	3,057,500
Options cancelled	-	-	(324,151)	324,151	-
Loss for the period	-	-	-	(226,351)	(226,351)
Balance, July 31, 2024	77,923,048	29,725,341	1,523,649	(25,570,961)	5,678,029
Shares issued for exploration and evaluation assets	350,000	84,000	-	-	84,000
Share-based compensation	-	-	412,000	-	412,000
Options exercised	100,000	37,480	(16,480)	-	21,000
Loss for the period	-	-	-	(445,992)	(445,992)
Balance, October 31, 2024	78,373,048	\$ 29,846,821	\$ 1,919,169	\$ (26,016,953)	\$ 5,749,037

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

SUPERIOR MINING INTERNATIONAL CORPORATION
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended	
	2024	October 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (445,992)	\$ (286,825)
Item not affecting cash:		
Foreign exchange gain	-	(379)
Derecognition of flow through premium liability	-	(78,521)
Share-based compensation	412,000	334,200
Changes in non-cash working capital items:		
Decrease in receivables	(207)	(12,790)
Increase in accounts payable and accrued liabilities	25,520	3,406
Net cash used in operating activities	<u>(8,679)</u>	<u>(40,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>-</u>	<u>(35,245)</u>
Net cash used in investing activities	<u>-</u>	<u>(35,245)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from (repayment to) directors	(1,700)	15,934
Proceeds from options exercised	21,000	-
Net cash provided by financing activities	<u>19,300</u>	<u>15,934</u>
Change in cash for the period	10,621	(60,220)
Cash, beginning of period	<u>5,538</u>	<u>127,154</u>
Cash, end of period	<u>\$ 16,159</u>	<u>\$ 66,934</u>

Supplemental disclosure with respect to cash flows (Note 7)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Superior Mining International Corporation (the “Company”) is a Canadian company incorporated in the Yukon Territory. The Company’s head registered and records office address is Suite 250 – 750 West Pender Street, Vancouver, BC, Canada, V6C 2T7. The Company is primarily engaged in the acquisition, exploration and development of mineral properties.

These financial statements are 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. As at October 31, 2024, the Company had an accumulated deficit of \$ 26,016,953 (July 31, 2024 - \$25,570,961); a working capital deficiency of \$1,398,079 (July 31, 2024 – \$725,087) and has not generated revenues from operations. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These condensed interim financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretation Committee (“IFRIC”). Accordingly, they do not include all of the information required for full annual financial statements by IFRS Accounting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended July 31, 2024, which have been prepared in accordance with IFRS.

Basis of presentation

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

3. MATERIAL ACCOUNTING POLICIES

Significant accounting judgments and critical estimates

The preparation of these condensed interim financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these condensed interim financial statements.

Significant Accounting Judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim financial statements include, but are not limited to, the following:

- i) Going concern risk assessment (Note 1).
- ii) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets.

Financial instruments

The following table shows the classification under IFRS 9:

Financial Assets and Liabilities	New classification and measurement IFRS 9
Cash	FVTPL
Receivables from a related party	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Others liabilities	Amortized cost
Advances from directors	Amortized cost

Impairment of financial assets

An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractor and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period 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 farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash 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.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Government tax credits received are recorded against expenditures capitalized in exploration and evaluation assets. The amounts are recorded in the year they are received due to uncertainty of the recoverability.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount and at least annually.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Provision for environmental rehabilitation

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses. As at July 31, 2024, there was no material provision for environmental rehabilitation.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the period ended October 31, 2024 and year ended July 31, 2024, this calculation proved to be anti-dilutive. Basic and diluted loss per share is calculated using the weighted-average number of common shares outstanding during the period. All the outstanding stock options as of October 31, 2024 and July 31, 2024 were not included in the calculation of diluted loss per share.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period using the graded method. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in contributed surplus is transferred to accumulated losses (deficit).

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

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Share issuance costs

Costs directly identifiable with the raising of capital are charged directly to capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Valuation of warrants

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a private placement unit. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants. The fair value attributed to the warrants, if any, is recorded in contributed surplus.

Income taxes

Income tax on the statement of loss and comprehensive loss for the years presented comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into (i) 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 (ii) share capital. Upon expenditures being incurred, 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 recovery of flow-through premium liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are required to be used only for Canadian resource property exploration expenditures within a two-year period. 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 the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

The Company may also be subject to indemnifying flow-through investors if the proceeds raised from flow-through shares are not incurred within the prescribed period.

New accounting standards adopted or effective for future periods

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these condensed interim financial statements. The following accounting standards and amendments are effective for future periods:

- i) **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** – The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.
These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect material impact upon adoption of these amendment.
- ii) **IFRS 18 Presentation and Disclosure in Financial Statements** – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.
 - 1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
 - 2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
 - 3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its condensed interim financial statements.

The Company adopted the following accounting standards during the year ended July 31, 2024:

i) *Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the condensed interim financial statements.

ii) *Amendments to IAS 8 – Definition of Accounting Estimates*

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

There were no significant impact to the condensed interim financial statements as a result of the implementation of these amendments.

4. EXPLORATION AND EVALUATION ASSETS

Vieux Comptoir Property, Quebec, Canada

Pursuant to a mineral property option agreement dated December 1, 2022 and amended January 16, 2023, the Company has been granted the option to acquire up to a 100% interest in the Vieux Comptoir Property in consideration of the following option payments:

- i) \$7,500 in cash within seven days of execution of the option agreement (paid);
- ii) 7,000,000 common shares upon receipt of approval of the TSX Venture Exchange (issued and valued at \$2,590,000). The Company also issued 300,000 common shares valued at \$111,000 as finder's fee;
- iii) 3,500,000 common shares payable on December 1, 2023 (issued and valued at \$892,500); and
- iv) 3,500,000 common shares payable on June 1, 2024 (issued and valued at \$665,000).

In the event the Company acquires a 100% interest in the property, the Company will be subject to a 3% Net Smelter Royalty ("NSR") and the NSR may be reduced to 1.5% upon making a cash payment of \$3,000,000.

Pursuant to a mineral property option agreement dated July 31, 2023, the Company has the option to acquire a 100% interest in 161 new claims which are an extension of the Vieux Comptoir Property in consideration of the following option payments:

- i) \$50,000 in cash on or before August 7, 2023 (not paid, but the optionor agreed to extend the due date to July 31, 2025); and
- ii) 6,000,000 common shares no later than August 31, 2023 (issued and valued at \$1,500,000).

The property will be subjected to a 2% NSR, of which the Company has the option to buy back 1% NSR in consideration of cash payment of \$2,000,000.

Bald Hill Property, New Brunswick, Canada

Pursuant to a mineral property option agreement dated August 27, 2024, the Company has been granted an option to acquire up to a 100% interest in the Bald Hill Antimony Property in consideration of the following option payments:

- i) \$60,000 in cash upon execution of the option agreement ("TSX-V") (\$60,000 outstanding as of October 31, 2024 - this is a firm commitment and recorded as other liabilities);
- ii) \$75,000 in cash each on or before August 27, 2025 and August 27, 2026;
- iii) \$150,000 in cash on or before August 27, 2027 and \$320,000 in cash on or before August 27, 2028;
- iv) 350,000 common shares upon TSX Venture Exchange ("TSX-V") (this is a firm commitment – issued and valued at \$84,000);
- v) 350,000 common shares on or before August 27, 2025;
- vi) 400,000 common shares each on or before August 27, 2026 and August 27, 2027;
- vii) 500,000 common shares on or before August 27, 2028;
- viii) \$600,000 in exploration and evaluation expenditures on the property on or before August 27, 2025 (\$600,000 outstanding as of October 31, 2024 - this is a firm commitment and recorded as other liabilities);
- ix) \$500,000 in exploration and evaluation expenditures on the property on or before August 27, 2026;
- x) \$750,000 in exploration and evaluation expenditures each on the property on or before August 27, 2027 and August 27, 2028 and \$2,000,000 in exploration and evaluation expenditures on the property on or before August 27, 2029.

In the event the Company acquires a 100% interest in the property, the Company will be subject to a 3.5% gross metal royalty on all metals, minerals, elements or compounds produced from the property which may be reduced to 3% upon making a cash payment of \$500,000 adjusted for inflation before commercial production from the property.

SUPERIOR MINING INTERNATIONAL CORPORATION
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
OCTOBER 31, 2024 AND 2023

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Period Ended	Vieux Comptoir Property	Bald Hill Antimony Property	Total
October 31, 2024			
Acquisition Costs:			
Balance, July 31, 2024	\$ 5,783,429	\$ -	\$ 5,783,429
Shares	-	84,000	84,000
Future commitments	-	60,000	60,000
Balance, October 31, 2024	5,783,429	144,000	5,927,429
Exploration Costs:			
Balance, July 31, 2024	619,687	-	619,687
Future commitments	-	600,000	600,000
Balance, October 31, 2024	619,687	600,000	1,219,687
Balance, October 31, 2024	\$ 6,403,116	\$ 744,000	\$ 7,147,116
Year Ended	Vieux Comptoir Property		
July 31, 2024			
Acquisition Costs:			
Balance, July 31, 2023	\$ 2,725,929		
Shares	3,057,500		
Balance, July 31, 2024	5,783,429		
Exploration Costs:			
Balance, July 31, 2023	376,002		
Prospecting and geophysical	243,685		
Balance, July 31, 2024	619,687		
Balance, July 31, 2024	\$ 6,403,116		

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payables and accrued liabilities for the Company are broken down as follows:

	October 31, 2024	July 31, 2024
Trade payables	\$ 526,148	\$ 514,378
Advances from directors (Note 8)	60,000	50,000
Accrued liabilities	101,430	97,680
Total	\$ 687,578	\$ 662,058

6. CAPITAL STOCK

a) Authorized share capital:

Unlimited common voting shares without par value.

b) Issued share capital:

During the period ended October 31, 2024, the Company:

- i) issued 100,000 common shares pursuant to options exercised for total proceeds of \$21,000, and accordingly, the Company reallocated \$16,480 of contributed surplus to capital stock.
- ii) issued 350,000 common shares at a value of \$84,000 pursuant to the acquisition of the Bald Hill Antimony Property (Note 4).

During the year ended July 31, 2024, the Company:

- i) issued 3,500,000 common shares at a value of \$892,500 pursuant to the acquisition of the Vieux Comptoir Property (Note 4).
- ii) issued 6,000,000 common shares at a value of \$1,500,000 pursuant to the acquisition of the Vieux Comptoir Property (Note 4).
- iii) issued 3,500,000 common shares at a value of \$665,000 pursuant to the acquisition of the Vieux Comptoir Property (Note 4).

c) Stock options:

The Company has a rolling stock option plan (the “Plan”) that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant. Options granted under the Plan will have a term not to exceed ten years and be subject to vesting provisions as determined by the board of directors of the Company.

During the period ended October 31, 2024, the Company granted 2,500,000 stock options to consultants. The options are exercisable at \$0.21 until August 27, 2029. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$412,000. The options were fully vested on the grant date.

During the year ended July 31, 2024, Company granted 1,000,000 stock options to directors, officers, and consultants. The options are exercisable at \$0.44 until August 24, 2028. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$334,200. The options were fully vested on the grant date.

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6. CAPITAL STOCK (cont'd...)

d) Stock options (cont'd...):

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Period Ended October 31, 2024		Year Ended July 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance and outstanding at beginning of period/year	5,194,132	\$ 0.31	5,294,132	\$ 0.29
Granted	2,500,000	0.21	1,000,000	0.44
Exercised	(100,000)	(0.21)	(1,100,000)	(0.32)
Balance and outstanding at end of period/year	7,594,132	\$ 0.28	5,194,132	\$ 0.31
Number of options exercisable	7,594,132	\$ 0.28	5,194,132	\$ 0.31

As at October 31, 2024, the following options were outstanding and exercisable:

Number of Options	Exercisable	Exercise Price	Expiry Date
4,394,132	4,394,132	\$0.29	May 15, 2025
800,000	800,000	\$0.44	August 24, 2028
2,500,000	2,500,000	\$0.21	August 27, 2029
7,594,132	7,594,132		

The options granted during the period ended October 31, 2024 and 2023 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	Period ended October 31, 2024	Period ended October 31, 2023
Weighted average grant date fair value	\$0.210	\$0.435
Weighted average risk-free interest rate	2.97%	4.08%
Expected dividend yield	0.00%	0.00%
Weighted average stock price volatility*	106.89%	101.65%
Weighted average forfeiture rate	0.00%	0.00%
Weighted average expected life of options in years	5	5

* Determined based on the Company's historical trading price

As at October 31, 2024, the weighted average remaining contractual life of the stock options was 2.24 years (July 31, 2024 – 1.29 years) and the weighted average exercise price was \$0.28 (July 31, 2024 – \$0.31).

c) Warrants:

As at October 31, 2024 and July 31, 2024, there were no warrants outstanding.

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7. SUPPLEMENT DISCLOSURE WITH RESPECT TO CASH FLOWS

	October 31, 2024	July 31, 2024
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -
Fair value of options exercised	\$ 16,480	\$ -
Exploration and evaluation assets accrued through accounts payable and accrued liabilities, and other liabilities	\$ 660,000	\$ 314,171
Shares issued for exploration and evaluation assets	\$ 84,000	\$ -

8. RELATED PARTY TRANSACTIONS

Amounts paid or accrued to related parties are as follows:

	For the Period Ended October 31, 2024	For the Period Ended October 31, 2023
Related Parties:		
A company owned by the CFO	\$ 10,000	\$ 9,200
CFO	-	33,420
CEO	-	33,420
Directors	-	66,840
	<u>\$ 10,000</u>	<u>\$ 142,880</u>

The amounts due to the related parties included in accounts payables and accrued liabilities are as follows:

	October 31, 2024	July 31, 2024
A director	\$ 556	\$ 556
Due to a company owned by the CFO	\$ 60,000	\$ 50,000

The amounts due from the related parties included in receivable are as follows:

	October 31, 2024	July 31, 2024
A company related by common directors	\$ 9,956	\$ 9,956

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8. RELATED PARTY TRANSACTIONS (cont'd...)

At October 31, 2024, the amount advanced from CFO was \$78,145 (July 31, 2024 - \$79,845).

The amounts due to/from related parties are unsecured, with no repayment terms, and without interest.

9. FINANCIAL INSTRUMENTS AND RISK

Fair value

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Financial statements measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as either “Level 1” Unadjusted quoted prices in active markets for identical assets or liabilities; “Level 2” Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and, “Level 3” Inputs that are not based on observable market data.

Financial instruments measured at fair value on the statements of financial position are summarized in levels of fair value hierarchy as follows:

	October 31, 2024			July 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Asset						
Cash	\$ 16,159	\$ -	\$ -	\$ 5,538	\$ -	\$ -

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Concentration of credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk due to the potential for counterparties to default on their contractual obligations consist primarily of cash and receivable from a related party. The maximum potential loss on these financial instruments is equal to \$16,115 (July 31, 2024 – \$15,494). The Company uses high credit quality financial institution to manage the credit risk.

Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2024, the Company had current assets of \$27,644 (July 31, 2024 – \$16,816) to settle accounts payable and accrued liabilities, advances from directors, and other liabilities of \$1,425,723 (July 31, 2024 – \$741,903). The Company is planning additional financings in the near term to raise working capital to finance its ongoing operations.

9. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

(b) Foreign currency risk

As at October 31, 2024, the Company had accounts payable in South African rand (ZAR). The amounts are minimal and any risk due to foreign currency fluctuations is not significant.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, contributed surplus and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's policy remains unchanged from the prior period.