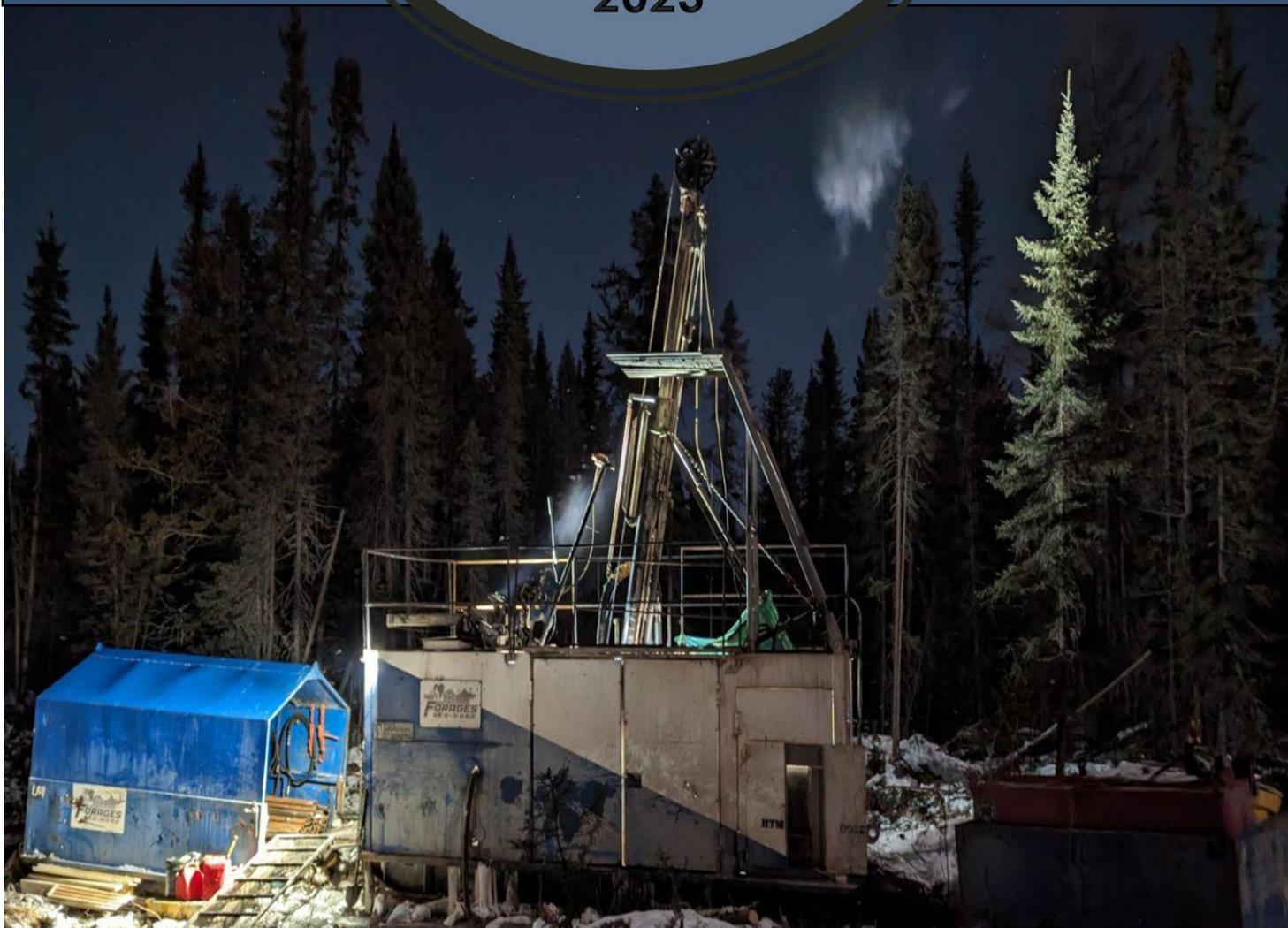


**INTERIM
FINANCIAL
STATEMENTS FOR
THE NINE MONTHS
ENDED SEPTEMBER
30, 2024 AND
SEPTEMBER 30,
2023**



LAURIION
MINERAL EXPLORATION INC.



**TSXV: LME
QTC: LMEFF**



LAURION MINERAL EXPLORATION INC.
Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024
(Expressed in Canadian dollars)
(Unaudited)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of Laurion Mineral Exploration Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

LAURION MINERAL EXPLORATION INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Notes	As at September 30 2024 \$	As at December 31, 2023 \$
Assets			
Current			
Cash and cash equivalents		6,236,621	6,506,292
Restricted cash	4 and 10	2,160,169	2,538,612
Receivables	5	318,637	262,240
Prepaid expenses		144,207	51,827
		8,859,634	9,358,971
Liabilities			
Current			
Accounts payable and accrued liabilities		167,451	169,873
Flow-through share premium	7	265,364	317,326
		432,815	487,199
Shareholders' equity			
Share capital	7	43,221,256	41,639,037
Contributed surplus		4,359,045	4,429,280
Warrants		2,431,997	2,431,997
Deficit		(41,585,479)	(39,628,542)
		8,426,819	8,871,772
		8,859,634	9,358,971
Going concern	2		
Commitment	10		
Subsequent event	11		

Approved by the Board:

Cynthia Le Sueur-Aquin
Director

Michael Burmi
Director

LAURION MINERAL EXPLORATION INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Notes	For the three months ended September 30		For the nine months ended September 30	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Professional fees	9	83,022	240,398	155,651	415,188
Management fees	9	79,363	26,978	137,604	83,938
Stock-based compensation	7	15,601	24,057	28,669	70,046
General and administrative		20,214	16,084	56,291	45,407
Investor relations	9	23,188	27,554	76,589	81,064
Public company costs		2,536	8,168	46,322	44,755
Travel		53	17,872	8,688	24,470
Exploration and evaluation	6	380,677	348,727	2,095,892	987,157
		604,654	709,838	2,605,706	1,752,025
Part XII.6 tax		7,537	6,931	40,370	23,677
Flow-through share premium recovery	7	(45,409)	-	(256,872)	-
Option income	6	-	-	(89,190)	(44,700)
Fair value adjustment on marketable securities		-	(1,575)	-	-
Loss on sale of marketable securities		-	2,384	3,360	2,384
Foreign exchange loss		-	2,500	-	2,500
Interest income		(111,492)	(100,122)	(346,437)	(272,215)
		455,290	619,956	1,956,937	1,463,671
Loss and comprehensive loss for the period		(455,290)	(619,956)	(1,956,937)	(1,463,671)
Loss per common share-basic and diluted		(0.002)	(0.002)	(0.007)	(0.006)
Weighted average number of common shares- basic and diluted		267,301,626	257,177,005	265,763,012	257,008,308

LAURION MINERAL EXPLORATION INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

	Number of common shares	Share capital \$	Contributed surplus \$	Warrants \$	Deficit \$	Total \$
Balance, December 31, 2023	263,346,102	41,639,037	4,429,280	2,431,997	(39,628,542)	8,871,772
Flow-through share private placement (note 7)	3,725,633	1,676,535	-	-	-	1,676,535
Finder's fees	-	(75,000)	-	-	-	(75,000)
Flow-through share premium	-	(204,910)	-	-	-	(204,910)
Share issuance costs	-	(55,810)	-	-	-	(55,810)
Exercise of stock options (note 7)	750,000	142,500	-	-	-	142,500
Fair value of exercised stock options	-	98,904	(98,904)	-	-	-
Stock-based compensation	-	-	28,669	-	-	28,669
Loss for the period	-	-	-	-	(1,956,937)	(1,956,937)
Balance, September 30, 2024	267,821,735	43,221,256	4,359,045	2,431,997	(41,585,479)	8,426,819
Balance, December 31, 2022	256,809,855	38,602,524	4,497,860	2,543,170	(36,542,499)	9,101,055
Option payment	100,000	51,000	-	-	-	51,000
Exercise of stock options	1,038,882	193,943	-	-	-	193,943
Fair value of exercised stock options	-	155,732	(1,555,732)	-	-	(1,400,000)
Fair value of expired warrants	-	111,173	-	(111,173)	-	-
Stock-based compensation	-	-	70,046	-	-	70,046
Loss for the period	-	-	-	-	(1,463,671)	(1,463,671)
Balance, September 30, 2023	257,948,737	39,114,372	3,012,174	2,431,997	(38,006,170)	6,552,373

LAURION MINERAL EXPLORATION INC.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited - Prepared by Management)

For the nine-month period ended

	September 30, 2024	September 30, 2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Loss for the period	(1,956,937)	(1,463,671)
Items not affecting cash		
Common shares issued for exploration and evaluation (note 6)	-	51,000
Stock-based compensation (note 7)	28,669	70,046
Option income (note 6)	(29,190)	(14,700)
Loss on sale of marketable securities	3,360	2,384
Flow-through share premium recovery (note 7)	(256,872)	-
Changes in non-cash working capital		
Receivables	(56,397)	(41,828)
Prepaid expenses	(92,380)	(274,583)
Accounts payable and accrued liabilities	(2,422)	104,102
Cash flows used in operating activities	(2,362,169)	(1,567,250)
Financing activities		
Private placement (note 7)		
Flow-through shares	1,676,535	-
Finder's fees	(75,000)	-
Share issue costs	(55,810)	-
Exercise of stock options (note 7)	142,500	193,943
Cash flows from financing activities	1,688,225	193,943
Investing activities		
Proceeds from the sale of marketable securities	25,831	12,315
Cash flows from investing activities	25,831	12,315
Net decrease in cash	(648,113)	(1,360,992)
Cash and cash equivalents, beginning of period	9,044,904	9,107,378
Cash and cash equivalents, end of period	8,396,791	7,746,386
Summary		
Cash and cash equivalents	6,236,621	6,960,256
Restricted cash (note 4)	2,160,169	786,130
	8,396,790	7,746,386
Non-cash transactions		
Issue of common shares		
Option payment for exploration and evaluation	-	51,000
	-	51,000

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

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

1. Nature of operations

Laurion Mineral Exploration Inc. (the “Company”) is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1.

2. Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is in the exploration stage and does not generate revenue. For the period ended September 30, 2024, the Company incurred a loss of \$1,956,937 (2023 - \$1,463,671) and a cashflow deficit from operations of \$2,362,169 (2023 - \$1,567,250). The losses and cashflow deficit from operations limit the Company’s ability to fund operations and the acquisition, exploration and development of mineral resource properties.

The continued operation of the Company is dependent upon the Company’s ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

3. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2023.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual audited financial statements prepared in accordance with IFRS and should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2023.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 15, 2024.

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

4. Restricted cash

Restricted cash represents the proceeds from the issuance of flow-through common shares. As at September 30, 2024, the Company had internally restricted cash of \$2,160,169 (December 31, 2023 - \$2,538,612) which is not available for working capital purposes. The Company is committed to make eligible Canadian Exploration Expenditures of \$483,634 by December 31, 2024 and \$1,676,535 by December 31, 2025.

5. Receivables

Receivables consist of Goods and Service Tax / Harmonized Sales Tax in the amount of \$54,201 (2023 - \$154,950) and interest receivable of \$264,436 (2023 - \$107,290).

6. Exploration and evaluation

Ishkōday

The Company holds the following interests in the Ishkōday situated in the Onaman-Tashota Greenstone Camp in the Irwin, Walters, Elmhirst and Pifher Townships located 25 km northeast of the Town of Beardmore, Ontario and 220 km northeast of Thunder Bay, Ontario:

100% interest:	Interest	Hectares
Ishkōday	15 mining leases	657
Ishkōday North	164 boundary and single cell claims	2,864
Ishkōday South	5 boundary cell claims	64
Ishkōday East	28 boundary and single cell claims	336
Brenbar (a)	2 mining leases	255
Jubilee-Elmhirst (b)	4 mining leases	74
Beaurox (c)	1 mining lease	447
Twin Falls and Irwin (d)	54 boundary, single, and multi cell claims	1,089
		5,786

(a) Brenbar

As at September 30, 2024, the Company held a 100% interest in Brenbar which consists of 2 mining leases covering 255 hectares contiguous and to the west of Ishkōday. The leases are subject a 3% net smelter return royalty on gold production and 1.5% net smelter return royalty on base metal production. The Company has the option to purchase 1% of the royalty for \$1,000,000. In order for the Company to earn its initial 60% interest in Brenbar, the Company made option payments, issued common shares and incurred exploration expenditures, as follows:

	Option Payments	Common Shares Number	Fair Value	Exploration Expenditures
	\$		\$	\$
Upon execution of agreement	50,000	300,000	48,000	-
September 18, 2020	40,000	160,000	32,800	-
December 18, 2020	25,000	100,000	20,000	100,000
	115,000	560,000	100,800	100,000

In order for the Company to earn its 100% interest during 2023, up from 60% in 2022, the Company made additional option payments, issued additional common shares and incurred additional exploration expenditures as follows:

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

6. Exploration and evaluation (continued)

	Option payments \$	Common shares		Exploration expenditures \$
		Number	Fair value \$	
Balance, December 31, 2020	115,000	560,000	100,800	100,000
December 18, 2021	25,000	100,000	72,000	100,000
December 18, 2022	25,000	100,000	58,000	-
February 1, 2023 ⁽¹⁾	-	100,000	51,000	-
Total	165,000	860,000	281,800	200,000

⁽¹⁾ In accordance with the option agreement if the Company doesn't incur \$100,000 of exploration expenditures during the required period the Company had the option to issue 100,000 common shares in lieu of exploration expenditures incurred. As at December 18, 2022, the Company had not met the required exploration expenditure commitment of \$100,000. On February 1, 2023, the Company issued 100,000 common shares in lieu of meeting the expenditure commitment and fulfilled all payments under the option agreement, retaining a 100% interest in Brenbar and the claims have been transferred into the name of the Company.

(b) Jubilee-Elmhirst

The Company holds a 100% interest in Jubilee-Elmhirst, subject to a 2% net smelter return royalty. At any time, the Company has the option to reduce the royalty to 1% by making a payment of \$1,000,000.

(c) Beauxox

The Company holds a 100% interest in Beauxox, subject to a 3% net smelter return royalty. At any time, the Company has the option to reduce the royalty to 1.5% by making a payment of \$1,500,000 or to 2% by making a payment of \$1,000,000.

(d) Twin Falls and Irwin

On October 10, 2023, the Company expanded its Ishkōday project by acquiring a 100% interest in the Twin Falls property, subject to a 1% net smelter return royalty on gold and base metal production from the property. At any time, the Company has the option to reduce the royalty to 0.5% by making payment of \$500,000. As consideration for the property, the Company issued 142,857 common shares of the Company to the vendors with a fair value of \$82,857. On January 14, 2024, the Company completed the acquisition of the Irwin claims, consisting of two individual claims. The total consideration paid to the vendors for these claims was \$5,000.

Midlothian and Doon

The Company owns a 30% joint venture interest and Canadian Gold Miner Corp. ("Canadian Gold") owns a 70% joint venture interest in Midlothian consisting of 11 claims (152 claim units) covering 2,520 hectares located 80 km west-southwest of Kirkland Lake and 25 km west-southwest of the Town of Matachewan and Doon consisting of 1,721 hectares located adjacent to Midlothian. Doon is subject to the following:

- net smelter royalty ("NSR") of 2% covering 333 hectares which can be reduced to 1% by making a payment of \$1,500,000 plus a \$1,500,000 commercial payment; and
- net smelter royalty of 2% covering 1,388 hectares which can be reduced to 1% by making a payment of \$1,500,000 and commercial payment of \$1,500,000.

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

6. Exploration and evaluation (continued)

The joint venture will incur exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest will be reduced solely to a 3% net smelter returns royalty on Midlothian (“Midlothian NSR”) and 1% net smelter returns royalty on Doon. The other joint venture partner will have the option to reduce the Midlothian NSR from 3% to 2% by making a payment of \$1,000,000. As the joint venture is not structured as a separate vehicle, the joint venture will be accounted for as a joint operation in accordance with IFRS 11, *Joint Arrangements*. For the periods ending September 30, 2024, and 2023, the Company did not incur any expenditures associated with the joint venture.

On November 19, 2021, the Company and Canadian Gold granted an option to Canada Nickel Company Inc. (“Canada Nickel”) to acquire a 100% interest in Midlothian by making payments, issuing common shares and incurring exploration expenditures, as follows:

	Option Payments (\$)	Common shares	Exploration Expenditures (\$)
Upon grant of option (received)	50,000	100,000	–
May 19, 2023 (received)	100,000	35,000	–
August 17, 2023 (incurred) ⁽²⁾	–	–	500,000
February 19, 2024 (received)	200,000	70,000	–
November 19, 2024	300,000	105,000	–
November 19, 2025	400,000	140,000	2,000,000
	1,050,000	450,000	2,500,000

⁽²⁾ As a result of permit delays, Canada Nickel was unable to meet the required exploration expenditures by the original first work commitment date of November 19, 2022. Consequently, Canada Nickel requested a first work commitment date extension. On May 19, 2023, the Company, Canada Nickel, and Canadian Gold reached an agreement to extend the first work commitment date to August 17, 2023. Canada Nickel incurred the required exploration expenditures by the revised August 17, 2023 commitment date.

All option payments and common shares will be allocated 30% to the Company and 70% to Canadian Gold based on their respective joint venture interest at the time of payment. On February 19, 2024, the Company received an option payment of \$89,190 which comprised of \$60,000 and 21,000 common shares of Canada Nickel with a fair value of \$29,190. On May 19, 2023, the Company received an option payment of \$44,700 which comprised of \$30,000 and 10,500 common shares of Canada Nickel with a fair value of \$14,700.

The Company and Canadian Gold will retain a net smelter return royalty of 4% for gold and 2% for nickel with a commercial production payment of \$4,000,000.

Davidson-Tisdale and North Tisdale

As part of the consideration for the Company selling its interest in Davidson-Tisdale and North Tisdale in 2010, the Company received and continues to hold a 2% net smelter royalty payable on commercial production from certain mineral rights known as the North Tisdale.

7. Share capital

Authorized:

Unlimited number of special shares, voting, redeemable, convertible, participating
500,000 Class A shares, voting, non-redeemable, convertible, non-participating
Unlimited number of common shares

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

7. Share capital (continued)

Private placement – 2024

On April 12, 2024, the Company closed a non-brokered private placement consisting of an aggregate of 3,725,633 flow-through shares at a price of \$0.45 per flow-through share for aggregate gross proceeds to the Company of \$1,676,535. In connection with the closing of the private placement, the Company paid a cash finder's commission of \$75,000 and incurred share issuance costs of \$55,810. The issuance of the 3,725,633 flow-through shares resulted in a flow-through share premium liability of \$204,910. The flow-through share premium liability is reversed into the statement of loss and comprehensive loss as the Company incurs flow-through eligible exploration and evaluation expenditures.

Private placement – 2023

On November 3, 2023, the Company closed a non-brokered private placement of 5,142,900 flow-through shares at a price of \$0.56 per flow-through share for gross proceeds of \$2,880,024. In connection with the private placement, the Company paid a cash finder's commission of \$62,501 and issued 111,608 common shares of the Company as finder's shares. The issuance of the 5,142,900 flow-through shares resulted in a flow-through share premium liability of \$360,003. The flow-through share premium liability is reversed into the statement of loss and comprehensive loss as the Company incurs flow-through eligible exploration and evaluation expenditures.

During the period ended September 30, 2024, the Company recorded a flow-through share premium recovery of \$256,872 (2023 - \$Nil). As of September 30, 2024, the Company had a flow-through share premium liability of \$265,364 (December 31, 2023 - \$317,326).

Stock options

Pursuant to a stock option plan approved on October 4, 2010, the Company may grant stock options to its directors, officers, employees and consultants for up to 10% of the number of common shares outstanding. The maximum term of each option is 10 years and the exercise price shall not be less than the closing price of the common shares prevailing on the date of the grant, less a discount up to 25% in accordance with the policies of the TSX Venture Exchange.

All outstanding options granted under the Original Option Plan will remain outstanding and be governed by the terms of the Original Option Plan. The Original Option Plan allowed the Company to issue options to directors, officers and service providers, enabling them to purchase common shares. The Company set aside 4,000,000 common shares for the exercise of options granted pursuant to the plan. Each option granted under the plan had a maximum term of five years. The exercise price was determined by the Board of Directors at the time the option is granted and was subject to regulatory approval.

A continuity of the Company's stock options is presented below:

	Weighted-average exercise price (\$)	Number of stock options
Balance, December 31, 2022	0.22	5,047,036
Granted	0.40	250,000
Exercised	0.19	(1,038,882)
Cancelled	0.15	(563,123)
Balance, December 31, 2023	0.26	3,695,031
Granted	0.45	250,000
Exercised	0.19	(750,000)
Forfeited	0.40	(250,000)
Balance, September 30, 2024	0.28	2,945,031

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

7. Share capital (continued)

The common share price when the stock options were exercised was \$0.395 (2023 - \$0.57 to \$0.70).

During the period ended September 30, 2024, the Company granted stock options to a consultant of the Company. The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions:

Grant date	February 12, 2024
Expiry date	February 12, 2029
Stock options granted	250,000
Exercise price	\$0.45
Share price	\$0.43
Risk-free interest rate	3.69%
Expected volatility based on historical volatility	67%
Expected life of stock options	5 years
Expected dividend yield	0%
Vesting	1/3 on each annual anniversary of their date of grant with the first vesting on the first anniversary of the date of grant
Fair value	\$61,951
Fair value per stock option	\$0.25

During the year ended December 31, 2023, the Company granted stock options to a consultant of the Company. The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions:

Grant date	August 21, 2023
Expiry date	August 21, 2028
Stock options granted	250,000
Exercise price	\$0.40
Share price	\$0.40
Risk-free interest rate	4.14%
Expected volatility based on historical volatility	67%
Expected life of stock options	5 years
Expected dividend yield	0%
Vesting	1/3 on each annual anniversary of their date of grant with the first vesting on the first anniversary of the date of grant
Fair value	\$59,534
Fair value per stock option	\$0.24

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

7. Share capital (continued)

A summary of the Company's stock options outstanding at September 30, 2024 is presented below:

	Expiry date	Number of stock options exercisable	Number of stock options outstanding
\$0.17	June 2, 2025	667,379	667,379
\$0.23	December 14, 2025	576,837	576,837
\$0.23	January 26, 2026	200,000	200,000
\$0.23	April 13, 2026	212,045	212,045
\$0.55	August 19, 2026	18,106	18,106
\$0.82	January 11, 2027	29,000	29,000
\$0.95	October 5, 2027	166,666	250,000
\$0.45	February 12, 2029	-	250,000
\$0.11	July 16, 2029	500,000	500,000
\$0.15	September 9, 2029	241,664	241,664
		2,611,697	2,945,031

Warrants

A continuity of the Company's warrants is presented below:

	Weighted-average exercise price (\$)	Number of warrants
Balance, December 31, 2022	1.15	958,620
Expired	1.15	(958,620)
Balance, December 31, 2023 and September 30, 2024	-	-

8. Financial instruments and risk management

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

The fair values of cash and cash equivalents, restricted cash, receivables, and accounts payable and accrued liabilities approximated their respective carrying value due to their short term to maturity. The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument: The Company accounts for its marketable securities at fair value using level 1 inputs. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

8. Financial instruments and risk management (continued)

Risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. 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 market conditions and the Company's activities.

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. Credit risk arises principally from the Company's cash and cash equivalents and restricted cash. The Company limits its exposure to credit risk on its cash and cash equivalents and restricted cash by investing in high credit quality instruments and maintaining its cash balances in financial institutions with strong credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. Accounts payable and accrued liabilities are subject to normal trade terms.

Capital management

Capital of the Company consists of share capital, contributed surplus, warrants reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issuance of common shares, units, flow-through common shares and flow-through units, exercise of stock options and warrants or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the period.

LAURION MINERAL EXPLORATION INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

9. Related party transactions

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	September 30, 2024	September 30, 2023
	\$	\$
Exploration and evaluation	139,580	129,141
Management fees and investor relations	102,645	104,496
Special Committee fees	50,000	-
	292,225	233,637
Stock-based compensation	18,351	64,127
	310,576	297,764

During the year ended December 31, 2023, the Company engaged a third-party advisor and paid a financial advisory fee of \$338,675 (\$250,000 USD). Pursuant to an agreement with a director of the Company, the advisory fee is recoverable by the Company if the Company does not secure a transaction to the Company's satisfaction as a result of, arising from, or related to the engagement by June 21, 2025, an extension from the original date of August 21, 2024. Additional related party transactions are disclosed in note 7.

10. Commitment

Pursuant to a private placement of flow-through shares during the nine-month period ended September 30, 2024, and the year ended December 31, 2023, the Company is committed to make eligible Canadian Exploration Expenditures of \$483,634 by December 31, 2024, and \$1,676,535 by December 31, 2025.

11. Subsequent event

On October 22, 2024, the Company closed a non-brokered private placement consisting of an aggregate of 5,673,169 flow-through shares at a subscription price of \$0.46 per flow-through share for aggregate gross proceeds to the Company of \$2,609,658. In connection with the closing of the private placement, the Company paid an aggregate of \$127,999 as a cash finder's commission.