



SAGA METALS CORP.

Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

For the three months ended October 31, 2024, and 2023

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Saga Metals Corp. for the three months ended October 31, 2024 and 2023, have been prepared by the management of the Company and approved by the Company's Board of Directors.

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

Saga Metals Corp.
Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

As at	Notes	October 31, 2024		July 31, 2024
ASSETS				
Current assets				
Cash		\$	113,604	\$ 784,365
Due from related parties			973	973
Prepaid expenses			543,618	55,165
Receivables			193,145	59,298
TOTAL CURRENT ASSETS		\$	851,340	\$ 899,801
Non-current assets				
Equipment	5		38,920	28,425
Exploration and evaluation assets	6		3,395,877	2,440,398
TOTAL ASSETS		\$	4,286,137	\$ 3,368,624
LIABILITIES				
Current liabilities				
Accounts payables and accrued liabilities	7	\$	501,465	\$ 438,768
Due to related parties	9		79,710	63,318
Flow-through premium liability	8		58,713	-
TOTAL LIABILITIES		\$	639,888	\$ 502,086
SHAREHOLDERS' EQUITY				
Share capital	10	\$	5,462,086	\$ 4,195,168
Contributed surplus	10,11	\$	270,789	\$ 57,000
Accumulated deficit			(2,086,626)	(1,385,630)
TOTAL SHAREHOLDERS' EQUITY		\$	3,646,249	\$ 2,866,538
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$	4,286,137	\$ 3,368,624

Nature of operations and Going Concern (Note 1)
Events after reporting period (Note 14)

Approved by the Board of Directors on December 24, 2024:

"Mike Stier"

Director

"Michael Waldkirch"

Director

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

Saga Metals Corp.
Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

Three months ended	Notes	October 31, 2024	October 31, 2023
Operating expenses			
Advertising and marketing		\$ 255,437	\$ 618
Bank fees		303	86
Communications		2,076	1,134
Consulting fees	9	81,500	80,500
Depreciation	5	2,181	1,333
Dues and subscriptions		238	556
Exploration and evaluation expense	6	97,215	5,748
Fuel		38,018	1,728
Foreign exchange		2,933	-
Listing expense		141,469	-
Insurance		11,049	-
Meals and entertainment		7,365	2,713
Office expenses		908	144
Professional fees		43,332	28,852
Rent		3,000	2,250
Share based compensation	11	135,425	-
Transfer agent and regulatory expense		31,179	88
Travel expenses		51,982	9,240
Total operating expenses		\$ (905,610)	\$ (134,990)
Other income (expenses)			
Flow-through premium recovery	8	204,660	-
Other expenses		(46)	-
Net loss and comprehensive loss		\$ (700,996)	\$ (134,990)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding		25,936,301	16,706,766

Supplemental cash flow information (Note 13)

Saga Metals Corp.
Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share capital	Contributed Surplus	Obligation to issue warrants	Accumulated Deficit	Total Shareholder's Equity
Balance as at August 1, 2023		\$ 1,695,868	\$ -	\$ 57,000	\$ (211,358)	\$ 1,541,510
Net loss for the period		-	-	-	(134,990)	(134,990)
Balance as at October 31, 2023		\$ 1,695,868	\$ -	\$ 57,000	\$ (346,348)	\$ 1,406,520
Balance as at August 1, 2024		\$ 4,195,168	\$ 57,000	\$ -	\$ (1,385,630)	\$ 2,866,538
Common shares issued to acquire mineral property rights	6	10,000	-	-	-	10,000
Common shares issued on initial public offering	10	1,495,167	-	-	-	1,495,167
Share issuance costs	10	(318,249)	54,814	-	-	(263,435)
Exercise of share warrants	10	80,000	-	-	-	80,000
Issuance of share warrants to acquire mineral property rights	6	-	23,550	-	-	23,550
Share based compensation	11	-	135,425	-	-	135,425
Net loss for the period		-	-	-	(700,996)	(700,996)
Balance as at October 31, 2024		\$ 5,462,086	\$ 270,789	\$ -	\$ (2,086,626)	\$ 3,646,249

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

Saga Metals Corp.
Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

Three months ended	October 31, 2024		October 31, 2023	
OPERATING ACTIVITIES				
Net loss	\$	(700,996)	\$	(134,990)
<i>Non-cash items:</i>				
Depreciation	\$	2,181	\$	1,333
Share based compensation		135,425		-
Flow-through premium recovery		(204,660)		-
Changes in non-cash working capital items				
Prepaid expenses		(488,453)		-
Receivables		(133,847)		(17,010)
Accounts payables and accrued liabilities		(276,775)		(9,753)
Due to related parties		16,392		-
Due from related parties		-		(934)
Net cash used in operating activities	\$	(1,650,733)	\$	(161,354)
INVESTING ACTIVITIES				
Acquisition of equipment	\$	(12,676)	\$	-
Acquisition of exploration assets		(220,000)		(154,046)
Expenditures on exploration and evaluation assets		(362,457)		-
Net cash used in investing activities	\$	(595,133)	\$	(154,046)
FINANCING ACTIVITIES				
Proceeds from issuance of common shares	\$	1,758,540	\$	-
Proceeds from the exercise of share purchase warrants		80,000		-
Share issuance costs		(263,435)		-
Net cash provided by financing activities	\$	1,575,105	\$	-
Net change in cash	\$	(670,761)	\$	(315,400)
Cash – beginning	\$	784,365	\$	1,236,341
Cash – ending	\$	113,604	\$	920,941

Supplemental cash flow information (Note 13)

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

1. Nature of Operations and Going Concern

Saga Metals Corp. is an entity incorporated under the BC Business Corporations Act on January 10, 2023. The Company is focused on the acquisition, exploration and development of resource properties in Canada. The Company's head office and records offices are located at suite 2288 – 1177 W Hastings Street, Vancouver, BC, Canada, V6E 2K3. On September 24, 2024, the Company completed its initial public offering ("IPO") (Note 10) and received approval from the TSX Venture Exchange ("TSXV") to list its common shares under the symbol SAGA.

As at October 31, 2024, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These condensed interim financial statements ("Interim Financial Statements") have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At October 31, 2024, the Company had an accumulated deficit of \$2,086,626 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These Interim Financial Statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying Interim Financial Statements. These adjustments could be material.

2. Basis of Presentation, Statement of Compliance

The Interim Financial Statements as at October 31, 2024 and for the period then ended have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The Company has consistently applied the same accounting policies throughout all periods presented. The Interim Financial Statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for the audited financial statements for the year ended July 31, 2024 (the "Audited Financial Statements"). The Interim Financial Statements should be read in conjunction with the Company's Audited Financial Statements. Selected explanatory notes are included in the Interim Financial Statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited financial statements.

These Interim Financial Statements have been prepared on a historical cost basis. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. The Interim Financial Statements of the Company are presented in Canadian dollars unless otherwise indicated, the reporting currency of the Company.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors on December 24, 2024.

3. Material Accounting Policy Information

Material accounting policy applied to these Interim Financial Statements are consistent with those applied to the Company's Audited Financial Statements for the year ended July 31, 2024.

4. Significant Accounting Judgments, Estimates and Assumptions

Critical accounting estimates and judgments applied to these Interim Financial Statements are the same as those applied to the Company's Audited Financial Statements for the year ended July 31, 2024.

5. Equipment

	Equipment		Storage Container		Total
Cost:					
As at July 31, 2023	\$	22,648	\$	8,048	\$ 30,696
Additions in the year		4,283		-	4,283
As at July 31, 2024	\$	26,931	\$	8,048	\$ 34,979
Additions in the period		12,676		-	12,676
As at October 31, 2024	\$	39,607	\$	8,048	\$ 47,655
Accumulated Depreciation:					
As at July 31, 2023	\$	1,071	\$	64	\$ 1,135
Depreciation in the year		4,615		804	5,419
As at July 31, 2024	\$	5,686	\$	868	\$ 6,554
Depreciation in the period		1,980		201	2,181
As at October 31, 2024	\$	7,666	\$	1,069	\$ 8,735
Carrying Amount:					
As at July 31, 2024	\$	21,245	\$	7,180	\$ 28,425
As at October 31, 2024	\$	31,941	\$	6,979	\$ 38,920

Saga Metals Corp.
Notes to the Condensed Interim Financial Statements
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(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

	Legacy Property	Radar Property	Double Mer Property	NorthWind Property	Adina Property	Amirault Property	Total
As at July 31, 2024	\$ 86,415	\$ 321,834	\$ 125,574	\$ 24,575	\$ 250,000	\$ 1,632,000	\$ 2,440,398
Acquisition costs							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 170,000	\$ 220,000
Common share issuance	-	33,550	-	-	-	-	33,550
JV payments	-	-	-	-	-	-	-
Total acquisition costs	\$ -	\$ 33,550	\$ -	\$ -	\$ 50,000	\$ 170,000	\$ 253,550
Consulting	\$ -	\$ 3,500	\$ 33,500	\$ 13,500	\$ -	\$ -	\$ 50,500
Equipment rental	-	-	26,847	-	-	-	26,847
Geology	-	-	490	-	-	-	490
Other exploration activity	-	-	158,587	6,300	-	1,779	166,666
Sampling	-	56,469	38,025	3,854	-	-	98,348
Travel	-	33,694	302,800	22,584	-	-	359,078
Total exploration cost	\$ -	\$ 93,663	\$ 560,249	\$ 46,238	\$ -	\$ 1,779	\$ 701,929
As at October 31, 2024	\$ 86,415	\$ 449,047	\$ 685,823	\$ 70,813	\$ 300,000	\$ 1,803,779	\$ 3,395,877

	Legacy Property	Radar Property	Double Mer Property	NorthWind Property	Adina Property	Amirault Property	Total
As at July 31, 2023	\$ 286,334	\$ 82,210	\$ -	\$ -	\$ -	\$ -	\$ 368,544
Acquisition costs							
Cash	\$ 25,000	\$ 33,232	\$ -	\$ -	\$ -	\$ 30,000	\$ 88,232
Common share issuance	40,000	26,250	-	-	300,000	1,600,000	1,966,250
JV payments	(435,190)	-	-	-	(50,000)	-	(485,190)
Total acquisition costs	\$ (370,190)	\$ 59,482	\$ -	\$ -	\$ 250,000	\$ 1,630,000	\$ 1,569,292
Consulting	\$ 22,500	\$ 43,500	\$ 28,175	\$ 8,000	\$ -	\$ 2,000	\$ 104,175
Geology	18,130	-	15,250	-	-	-	33,380
Mapping	12,635	-	-	-	-	-	12,635
Other exploration activity	-	92,256	560	-	-	-	92,816
Sampling	62,834	12,565	683	-	-	-	76,082
Staking	26,180	-	66,560	16,575	-	-	109,315
Travel	27,992	31,821	14,346	-	-	-	74,159
Total exploration cost	\$ 170,271	\$ 180,142	\$ 125,574	\$ 24,575	\$ -	\$ 2,000	\$ 502,562
As at July 31, 2024	\$ 86,415	\$ 321,834	\$ 125,574	\$ 24,575	\$ 250,000	\$ 1,632,000	\$ 2,440,398

Legacy Property

On April 7, 2023, the Company entered into a Title Transfer Agreement (“TTA”) with two entities (the “Legacy Vendors”) to acquire 176 mineral claims located in the James Bay region of Quebec (“Legacy Property”). The purchase price was comprised of consideration as follows:

- a) \$54,140 cash payable on the closing date May 3, 2023 (paid);
- b) \$25,000 cash payable on or before the first anniversary of the closing date;
- c) \$25,000 cash payable on or before the second anniversary of the closing date;
- d) \$25,000 cash payable on or before the third anniversary of the closing date; and
- e) Issuance of 100,000 common shares (“Consideration Shares”) on the date the Company receives approval from any nationally recognized stock exchange to list the Company’s common shares publicly for trading

The Company further granted a 2% net smelter return royalty (“NSR”) to the Legacy Vendors. The NSR comes into effect once the property is brought into commercial production. The Company is entitled to purchase one-half (1%) of the NSR at any time for a cash consideration of \$1,000,000.

In addition to the purchase price and NSR, the Company agrees to further issue a bonus (a “Resource Bonus”) in the event the Company announces a mineral resource estimate, contained within a Technical Report (a “Resource Calculation”), on the Legacy Property of greater than 5,000,000 tonnes of lithium oxide (Li₂O) at a specified average grade (a “Resource Establishment”). The Resource Bonus is payable in the form of common shares (each, a “Bonus Share”) having an aggregate value of \$1,000,000 at a deemed price per Bonus Share equal to the volume weighted average price at which the Company’s shares have traded on a stock exchange during the period of any 10 consecutive trading days ending on the date that is the date of the Resource Establishment. Notwithstanding the foregoing, if the Company’s common shares are not then listed on any stock exchange, then the price per Bonus Share will be determined by a Chartered Professional Accountant, acting reasonably, selected by the vendors.

On June 25, 2024, in connection with a joint venture option agreement (see details further below under ‘*Joint Venture Arrangement*’), the Company amended (“Amended Legacy TTA”) the terms of the TTA with respect to its Legacy Property as follows:

- a) Issuance of 100,000 common shares of the Company on or before the date which was 10 business days after the Company grants to Rio Tinto Exploration Canada Inc. (“RIO”), an option to acquire an interest of 50% or more in the Legacy Property (the “Legacy Commencement Date”) - 100,000 shares issued on June 27, 2024 (Note 9);
- b) \$25,000 cash payable on or before the date which is 10 business days after the Legacy Commencement Date – paid on July 18, 2024;
- c) \$25,000 cash payable on or before the first anniversary of the Legacy Commencement Date; and
- d) \$25,000 cash payable on or before the second anniversary of the Legacy Commencement Date.

Radar Property

On July 3, 2023, the Company entered into a Title Transfer Agreement (“Radar TTA”) with an individual (“Radar Vendor”) to acquire 626 mineral claims located in the province of Newfoundland and Labrador (“Radar Property”). The purchase price was issuance of 271,266 common shares with a fair value of \$40,690, measured at \$0.15 per share on the closing dates of the Radar TTA (Note 9(iii)).

The Company further granted the Radar Vendor a 1.5% NSR which comes into effect once the Radar Property is brought into commercial production. On September 17, 2024, the Company entered into an

agreement to purchase 0.5% of the net smelter returns royalty (the “Purchased Royalty”) in respect of certain mineral claims on its Radar Property. A 1.5% net smelter returns royalty was granted to the Radar Vendor pursuant to the title transfer agreements under which the Company acquired the Radar Property initially. The forgoing claims remain subject to a 1.0% net smelter returns royalty following the Company’s acquisition of the Purchased Royalty. The remaining mineral claims that comprise the Property continue to be subject to a 1.5% net smelter returns royalty. The Company acquired the Purchased Royalty in consideration for:

1. 25,000 common shares of the Company (Note 10); and
2. 150,000 common share purchase warrants (“Radar Warrants”). Each Radar Warrant exercisable into one common share of the Company at an exercise price of \$0.40, for a duration of 12 months following the date of issuance on September 20, 2024 (Note 10).

The common shares and warrants issued are subject to a statutory hold period that expires four months and one day from the date of issuance. The common shares are also subject to contractual lock-up period of two years, with 25% of the common shares being released from lock-up every six months following the date of issuance.

On November 2 and 17, 2023 (collectively the “Closing Dates”), the Company entered into two separate title transfer agreements (“2024 Radar TTA”) with three individuals (“2024 Radar Vendors”) to acquire 1,600 mineral claims located in the province of Newfoundland and Labrador. These mineral claims are included as part of the Radar Property. The purchase price is as follows:

- Issuance of 112,500 and 62,500 common shares, issued on November 17 and December 7, 2023 respectively, with a fair value of \$16,875 and \$9,375 respectively. The common shares were measured at \$0.15 per share on the respective Closing Dates of the 2024 Radar TTA (Note 9); and
- \$30,632 and \$2,600 cash paid on the respective Closing Dates

The Company further granted the 2024 Radar Vendors a 1.5% NSR which comes into effect once the Radar Property is brought into commercial production.

The Company agrees to make the following additional payments in connection with the 2024 Radar TTA:

- issuance of 112,500 and 62,500 common shares on the first anniversary of the respective Closing Dates of the 2024 Radar TTA (issued on November 19 and December 11, 2024 respectively); and
- issuance of 112,500 and 62,500 common shares on the second anniversary of the respective Closing Dates of the 2024 Radar TTA; and
- issuance of 12,500 and 62,500 common shares on the third anniversary of the respective Closing Dates of the 2024 Radar TTA.

Amirault Property

On May 17, 2024, the Company entered into an asset purchase agreement (“APA”) to acquire mineral claims from two vendors (“Amirault Vendors”). The closing date is no later than five days following the closing of a going public transaction by the Company. Further, the Company is required to pay the Amirault Vendors the following:

- Total of \$200,000 cash consideration according to the following schedule:
 - a) \$10,000 on the agreement date (paid); and
 - b) A monthly cash payment of \$10,000 until the closing date; and
 - c) The remaining cash balance payable on the closing Date

- Issuance of 4,000,000 common shares (the “Consideration Shares”) (Issued – Note 10) which are subject to a four-month statutory hold period and any additional resale restrictions which may be imposed by the relevant securities exchange (the “Exchange”). In addition to any resale restrictions imposed by the Exchange or applicable Securities Laws, the Consideration Shares will be subject to contractual restrictions on resale as governed by the APA.

Further to the APA, the Company granted the Amirault Vendors a 2% net-smelter royalty. On October 15, 2024, Company completed the acquisition of the Amirault property and paid the remaining cash consideration of \$150,000 to the Amirault Vendors.

Joint Venture Arrangement

Arrangement with Rio Tinto

On June 28, 2024 (the “Effective Date”), the Company entered into a joint venture option agreement (“JV Option Agreement”) with RIO. Under the JV Option Agreement, RIO has the option to acquire an initial 51% interest (the “First Option”) in the Legacy Property over a period of four (4) years, which it may exercise if it satisfies the following conditions:

- Cash payments totaling \$410,190 within 45 days after the Effective Date – cash payment of \$410,190 was received in July 2024;
- Exploration expenditures totaling \$9,571,100, including a firm commitment to spend not less than \$1,709,125 in the first 20 months of the Effective Date of the JV Option Agreement; and
- \$273,460 in cash payments to the Company (\$68,365 per year) and additional payments of \$225,000 in aggregate (“JV Additional Payments”), being equal in amount to the underlying claim acquisition amounts owed by the Company to the vendors from whom it acquired the Legacy Property – a total of \$75,000 in JV Additional Payments were received in July 2024.

After earning the right to acquire an initial 51% interest, RIO will have the option to increase its interest in the Legacy Property to 75% (the “Second Option”) over a period of five (5) years following the four (4) year First Option term, by incurring exploration expenditures totaling an additional \$34,182,500 in exploration expenditures.

Adina Property

On June 3, 2024, in connection with the JV Option Agreement, the Company terminated a mineral interest option agreement (the “Adina Agreement”) which was originally executed on April 28, 2023. The Company was not required and has not made any payments in accordance with the Adina Agreement previously. Concurrently with the termination of the Adina Agreement, the Company entered into a title transfer agreement (“Adina TTA”), with the same vendors (“Adina Vendors”) of the Adina Agreement, to acquire 100% interest of mineral claims located in the Province of Quebec (“Adina Property”). The purchase price is comprised of consideration as follows:

- a) Issuance of 750,000 common share of the Company - issued on June 27, 2024 (Note 9);
- b) \$50,000 cash payable no later than 45 days after the date on which the Company grants to RIO, an option to acquire an interest of 50% or more in the Adina Property (the “Adina Commencement Date”) – paid on August 8, 2024
- c) \$50,000 cash payable on or before the first anniversary of the Adina Commencement Date (the “First Anniversary”); and

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- d) \$50,000 on or before the second anniversary of the Adina Commencement Date (the “Second Anniversary”).

On the date the Company grants to a third party an option to acquire an interest of 50% or more in the Adina property the Adina Vendors will have reserved a 2% net smelter returns royalty resulting from the extraction and production of any minerals on the property. The Company has the right at any time to purchase one-half of the net-smelter royalty by paying a total cash amount of \$1,000,000 to the Adina Vendors.

Exploration and Evaluation Expenditures

The following table details exploration and evaluation expenses incurred in the period and expensed to profit and loss:

Three months ended	October 31, 2024	October 31, 2023
Consulting	\$ 3,010	\$ 158
Indirect mineral claim fees	-	-
Supplies and other	91,706	3,229
Travel	2,499	2,361
Total exploration and evaluation expenses	\$ 97,215	\$ 5,748

7. Accounts Payable and Accrued Liabilities

	October 31, 2024	July 31, 2024
Accounts payable	\$ 501,465	\$ 355,663
Accrued liabilities	-	83,105
Total accounts payable and accrued liabilities	\$ 501,465	\$ 438,768

8. Flow-through premium liability

The Company’s flow-through premium liability balance is connected to the Company’s IPO (Note 10(a)). The change to this balance during the three months ended October 31, 2024 is as follows:

	October 31, 2024
Opening balance	\$ -
Initial recognition (Note 10(a))	263,373
Settlement of flow-through share premium liability upon incurring eligible expenses	(204,660)
Ending balance	\$ 58,713

During the three months ended October 31, 2024, the Company incurred qualifying flow-through expenditures of \$645,157 on its properties.

9. Related Party Transactions and Balances

Key management compensation

Key management of the Company consist of the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Chief Geological Officer (“CGO”), as well as directors of the Company. During the three months ended October 31, 2024 the Company incurred the following expenses in relation to key management compensation:

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Key management compensation	October 31, 2024	October 31, 2023
Consulting fees paid to an entity controlled by the CEO of the Company (i)	\$ 37,500	\$ 22,500
Consulting fees paid to an entity controlled by the CFO of the Company (ii)	18,000	18,000
Consulting fees paid to an entity controlled by the CGO of the Company (iii)	30,000	30,000
Share based compensation (iv)	101,000	-
Total key management compensation	\$ 186,500	\$ 70,500

- (i) As at October 31, 2024, there was \$26,252 (July 31, 2024 - \$5,625) payable to an entity controlled by the CEO of the Company. This entire balance is unsecured, due on demand and non-interest bearing and is presented within due to related parties as at October 31, 2024.
- (ii) As at October 31, 2024, there was \$12,676 (July 31, 2024 - \$19,013) payable to an entity controlled by the CFO of the Company. This entire balance is unsecured, due on demand and non-interest bearing and is presented within due to related parties as at October 31, 2024.
- (iii) As at October 31, 2024, there was \$40,782 (July 31, 2024 - \$38,680) payable to an entity controlled by the CGO of the Company. \$24,657 of this balance is related to reimbursable expenses incurred by the CGO on behalf of the Company. This entire balance is unsecured, due on demand and non-interest bearing and is presented within due to related parties as at October 31, 2024.
- (iv) Share-based compensation relates to stock options issued to key management of the company (Note 11) during the three months ended October 31, 2024.

10. Share Capital

a) Common Shares

As at October 31, 2024, the Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding common shares	Number of Shares	Amount
Balance at July 31, 2023	16,706,766	\$ 1,695,868
Common shares issued to acquire mineral property rights (Note 6)	5,025,000	1,966,250
Common shares issued on exercise of share purchase warrants	1,070,165	321,050
Share issuance costs	-	(13,000)
Common shares issued on exercise of PSUs (Note 11)	1,500,000	225,000
Balance at July 31, 2024	24,301,931	\$ 4,195,168
Common shares issued to acquire Radar royalty rights (Note 6)	25,000	10,000
Common shares issued on initial public offering (i)	3,737,916	1,495,167
Share issuance costs (i)	-	(318,249)
Exercise of share warrants	266,666	80,000
Balance at October 31, 2024	28,331,513	\$ 5,462,086

As at October 31, 2024, the Company had 5,867,501 common shares held in escrow.

- (i) On September 23, 2024, the Company completed an IPO and issued 2,320,750 hard dollar units of the Company (the "HD Units") at a price of \$0.40 per HD Unit, 167,166 standard flow-through units of the Company (the "Standard FT Units") at a price of \$0.48 per Standard FT Unit, and 1,250,000 charity flow-through units of the Company (the "Charity FT Units") at a price of \$0.60 per Charity FT Unit for aggregate gross proceeds of \$1,758,500.

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Each HD Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant (each whole such warrant, an “HD Warrant”). Each HD Warrant will entitle its holder to purchase one common share of the Company (each, a “Warrant Share”) at a price of \$0.60 per Warrant Share at any time prior to 24 months following the closing of the Offering.

Each Standard FT Unit consists of a “flow-through share” and one-half of one transferable common share purchase warrant (each whole such warrant, a “Standard FT Warrant”), which Standard FT Warrant will qualify as a “flow-through share” as defined under the Canadian Income Tax Act (“ITA”). The Standard FT Warrants will have the same terms as the HD Warrants and are exercisable into Warrant Shares.

Each Charity FT Unit consists of a “flow-through share” as defined under the Canadian Income Tax Act and one-half of one transferable common share purchase warrant (each whole such warrant, a “Charity FT Warrant”), which Charity FT Warrant will qualify as a “flow-through share”. The Charity FT Warrants will have the same terms as the HD Warrants and Standard FT Warrants and are exercisable into Warrant Shares.

The combined Standard FT and Charity FT shares were assigned a flow-through premium of \$263,373 which is recognized as a liability on the interim statement of financial position as at October 31, 2024 and will be reduced as the Company incurs eligible exploration expenditures.

In connection with the IPO, the Company paid to an agent a cash commission in the amount of \$87,383 and granted to the agent 185,783 share purchase warrants (“Agent Warrants”). Each Agent Warrant is exercisable into one Unit (“Agent Unit”) of the Company at a price of \$0.40 for a period of 24 months following the closing of the IPO. Each Agent Unit consist of one common share and one-half share purchase warrant (each whole warrant an “Agent Unit Warrant”) of the Company. Each Agent Unit Warrant would entitle the holder to purchase one common share of the Company at an exercise price of \$0.60 for a period of 24 months following the closing of the IPO. The fair value of the Agent Warrants was \$54,814, calculated using the Black-Scholes option pricing model and the Gesek compound option pricing model. This amount was charged to share capital as a non-cash share-issuance cost. The Company also incurred \$230,866 of share issuance costs relating to legal and agent work fees in connection with the IPO.

b) Warrants

The Company’s warrants outstanding as at October 31, 2024 and the changes for the three months ended October 31, 2024 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance at July 31, 2023	9,533,995	\$	0.17
Exercised (i)	(1,070,165)		0.30
Balance at July 31, 2024	8,463,830	\$	0.16
Issued (Note 6 and 10), (iii)	2,204,741		0.57
Exercised (ii)	(266,666)		0.30
Balance at October 31, 2024	10,401,905	\$	0.24

- (i) The Company received net proceeds of \$321,050 from the exercise of 1,070,165 share purchase warrants during May and June 2024.
- (ii) The Company received net proceeds of \$80,000 from the exercise of 266,666 share purchase warrants during October 2024.

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- (iii) The Company issued 185,783 Agent Warrants in connection with the IPO. The Agent Warrants were exercisable into Units which were further comprised of a common share of the Company and one-half of a common share purchase warrant. The Agent Warrants were fair-valued using the Black-Scholes option pricing model and the Geske compound option pricing model with the following weighted average input assumptions:

	Black-Scholes Option model inputs	
Share price at grant date	\$	0.40
Exercise Price	\$	0.40
Expected annual volatility		97.83%
Expected life (in years)		2.00
Expected dividend yield		0%
Risk-free interest rate		2.91%
Fair value per Warrant	\$	0.21

	Geske compound option model inputs	
Share price at grant date	\$	0.40
Exercise price of compound warrant	\$	0.0001
Exercise price of underlying warrant	\$	0.60
Expected annual volatility		97.83%
Expected life compound warrant (in years)		2.00
Expected life underlying warrant (in years)		2.00
Expected dividend yield		0%
Risk-free interest rate		2.91%
Fair value per Warrant	\$	0.17

Warrants issued and outstanding as at October 31, 2024 are as follows:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
3,000,000	3,000,000	\$0.10	June 26, 2025	0.65
2,197,164	2,197,164	\$0.30	July 19, 2025	0.72
150,000	150,000	\$0.40	September 20, 2025	0.89
1,500,000	1,500,000	\$0.10	April 21, 2026	1.47
1,500,000	1,500,000	\$0.10	May 11, 2026	1.53
1,868,958	1,868,958	\$0.60	September 23, 2026	1.90
185,783	185,783	\$0.40	September 23, 2026	1.90
10,401,905	10,401,905			1.16

11. Share Based Compensation

Equity incentive plan

On February 16, 2024, the Company implemented an Equity Incentive Plan (the "EIP") which provides for the grant to eligible consultant, directors, and employees (including officers) of share options ("Options"), Restricted Share Units ("RSU"), Deferred Share Units ("DSU"), and Performance Share Units ("PSU"). The aggregate number of common shares ("Share") that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 10% of the Company's issued and outstanding share capital from time to time.

The term or expiry date of Options is determined by the Board but cannot be greater than ten years from the date the Option is granted. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options is determined by the Board. The Board has the right to accelerate the date upon which any instalment of any Option becomes exercisable. Options which are vested, remain fully vested and are exercisable until expiration or termination of the Option.

The Board shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that no RSUs shall vest until at least one year following the date of grant. The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to the EIP except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash

in each case as determined by the Board in its discretion.

The Board may fix a portion of the Director Fees to be payable in the form of DSUs. In addition, each Director ("Electing Person") is given the right to elect an amount (the "Elected Amount") to be paid in the form of DSUs in lieu of cash; subject to the conditions of the EIP. The Board shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that no DSUs shall vest until at least one year following the date of grant. In no event shall a DSU be settled prior to, or later than one year following, the date of the applicable participant's separation from service. If the DSU award agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of except as otherwise provided in an award agreement. On the settlement date for any DSU, the Participant shall redeem each vested DSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii)

in each case as determined by the Board in its discretion.

The Board may prescribe, grant PSUs to any participant in respect of services rendered in the year of grant. Each PSU consists of a right to receive a Share of the Company, cash payment, or a combination thereof upon the achievement of such performance goals during such performance periods as the Board shall establish. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Board. The Board has the authority to determine any vesting terms applicable to the grant of PSUs, provided that no PSUs shall vest until at least one year following the date of grant while the Shares are posted for trading on a securities exchange. On the settlement date for any PSU, the Participant shall redeem each vested PSU for:

- (i) one fully paid and non-assessable Share issued from treasury to the participant or as the participant may direct; or
- (ii) a cash payment; or
- (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) in each case as determined by the Board in its discretion.

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The Company' share-based compensation for the three months ended October 31, 2024 and 2023 is as follows:

	October 31, 2024	October 31, 2023
Stock options (a)	\$ 135,425	\$ -

(a) Stock options

The changes in stock options during the three months ended October 31, 2024 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance at July 31, 2024 and 2023	-	\$ -
Issued (i)	725,000	0.40
Balance at October 31, 2024	725,000	\$ 0.40

- (i) In connection with the closing of the IPO, the Company issued an aggregate of 500,000 stock options (the "IPO Options") to certain directors and officers of the Company. Each IPO Option entitles the holder thereof to acquire one common share of the Company at a price of \$0.40 per common share for a period of two years from the date of grant. The Company also issued a further 225,000 stock options (the "Consultant Options") to consultants of the Company with each Consultant Option entitling the holder thereof to acquire one common share of the Company at a price of \$0.40 per common share for a period of one year from the date of grant. The IPO and Consultant Options were fair-valued using the Black-Scholes option pricing model and the following weighted average input assumptions:

	Consultant Options
Share price at grant date	\$0.39
Exercise Price	\$0.40
Expected annual volatility	103%
Expected life (in years)	1.00
Expected dividend yield	0%
Risk-free interest rate	2.91%
Fair value per Incentive Warrant	\$0.154

	Key Management Options
Share price at grant date	\$0.39
Exercise Price	\$0.40
Expected annual volatility	98%
Expected life (in years)	2.00
Expected dividend yield	0%
Risk-free interest rate	2.91%
Fair value per Incentive Warrant	\$0.202

(b) Performance Share Units

The changes in PSU are as follows:

	Number of PSU
Balance at July 31, 2023	-
Issued (i)	1,500,000
Exercised (i)	(1,500,000)
Balance at July 31, 2024 and October 31, 2024	-

(i) On February 16, 2024, the Company granted 750,000 PSUs each to the CEO and CGO of the Company. The PSUs were valued at \$0.15 per unit, equal to the value of a common share from the most recent private placement financing prior to the PSU grant. The PSUs fully vest on the date of filing of the Company's final prospectus in connection with the Company's initial public offering.

On July 15, 2024, the performance conditions of the PSU were fulfilled and 1,500,000 PSUs were exercised into 1,500,000 common shares of the Company.

12. Financial Instruments

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, receivable, accounts payables, income tax payable, and due to related party balances approximate their fair values due to the immediate or short-term nature of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	Fair value through profit and loss
Due from related parties	Amortized cost
Receivables	Amortized cost
Financial liabilities	
Accounts payables and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Capital and Risk Management

The Company's objective and policies for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company defines the components of its capital structure as being loans from related parties plus equity. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Company's directors have the overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. Risk management is carried out by the finance department under policies approved by the Company's directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to address risk related to cash and receivables. Receivables is associated with GST receivable balances. Given the GST is payable by the government of Canada, management feels there is minimal credit risk associated with this receivable balance. Similarly, cash is held with a large Canadian banking institution and there is minimal credit risk associated with cash balances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company relies on external financing to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payables and accrued liabilities	501,465	501,465	501,465	-	-
Total	501,465	501,465	501,465	-	-

Taking into consideration the Company's current cash position, the Company continues to review its needs to seek financing opportunities in accordance with its capital structure management strategy. Liquidity risk is assessed as high.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management

actively negotiates favorable market related interest rates. It is management’s opinion that the Company is not exposed to significant interest rate risk.

13. Supplemental Cash Flow Information

The following are non-cash activities that occurred during the three months ended October 31, 2024 and 2023:

	October 31, 2024	October 31, 2023
Acquisition of exploration assets by issuance of common shares	\$ 10,000	\$ -
Acquisition of exploration assets by issuance of share warrants	\$ 23,550	\$ -
Non-cash share issuance costs	\$ 54,814	\$ -
Exploration assets in accounts payable and accrued liabilities	\$ 339,472	\$ -

14. Events After Reporting Period

- On November 5, 2024, the Company completed the second and final tranche of its Offering raising aggregate gross proceeds of \$1,116,460. The second tranche consisted of an aggregate of 554,250 hard dollar units (each, a “HD Unit”) at a price of \$0.40 per HD Unit, 1,030,751 standard flow-through units (each, a “Standard FT Unit”) at a price of \$0.48 per Standard FT Unit and 666,667 charity flow-through units (each, a “Charity FT Unit”) at a price of \$0.60 per Charity FT Unit. Each HD Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant (each whole such warrant, an “HD Warrant”). Each HD Warrant will entitle its holder to purchase one common share in the capital of the Company (each, a “Warrant Share”) at a price of \$0.60 per Warrant Share at any time until September 23, 2026.

In connection with the second tranche of the Offering, the Company paid to the Agent a cash commission in the amount of \$69,666, a corporate finance fee of \$5,000 plus GST, and granted to the Agent non-transferrable warrants entitling the Agent or its subagents, as applicable, to purchase up to a total of 146,308 common shares of the Company at a price of \$0.40 per share until September 23, 2026.

- On December 24, 2024, the Company completed a non-brokered private placement (the “Private Placement”) of standard flow-through units (the “Standard FT Units”) and Québec flow-through units of the Company (the “QFT Units” and, together with the Standard FT Units, the “FT Units”). The Company issued 975,610 Standard flow-through units at a price of \$0.41 per Standard FT Unit for gross proceeds of \$400,000.10 and 697,675 QFT Units at a price of \$0.43 per QFT Unit for gross proceeds of \$300,000.25, for aggregate gross proceeds of \$700,000.35.

Each FT Unit consist of one flow-through common share (a “FT Share”) as defined in subsection 66(15) of the Income Tax Act (Canada) (the “Tax Act”), and one-half of one transferable common share purchase warrant (each whole such warrant, a “Warrant”). Each Warrant will entitle its holder to purchase one common share in the capital of the Company (a “Warrant Share”) at a price of \$0.50 until December 23, 2026. The Warrants and the Warrant Shares underlying the Warrants will not qualify as “flow-through shares” under the Tax Act.

In connection with the closing of the Private Placement, the Company paid cash finder’s fee in the amount of \$49,000 and issued 117,129 non-transferable compensation warrants, with each compensation warrant exercisable to acquire one common share in the capital of the Company at a price of \$0.41 until December 23, 2026.