

METALERO MINING CORP.

Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2024 and 2023

(Expressed in Canadian Dollars)

To the shareholders of Metalero Mining Corp:

The consolidated condensed interim financial statements of Metalero Mining Corp. (the "Company") for the nine months ended July 31, 2024 and 2023 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

METALERO MINING CORP.
Consolidated Condensed Interim Statements of Financial Position
Expressed in Canadian Dollars

(unaudited)

As at	July 31, 2024	October 31, 2023
Assets		
Current		
Cash	\$ 714	\$ 9,891
Goods and services tax receivable	2,501	3,980
Prepayments and deposits	4,275	16,208
	<u>7,490</u>	30,079
Right-of-use asset (note 8)	65,214	86,952
Exploration and evaluation properties (notes 3,4)	406,358	446,358
	<u>\$ 479,062</u>	<u>\$ 563,389</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 1,060,781	\$ 960,596
Current portion of lease liability (note 8)	35,418	31,824
Loans (note 3)	130,490	56,788
	<u>1,226,689</u>	1,049,208
Long-term		
Long-term portion of lease liability (note 8)	52,013	79,466
	<u>1,278,702</u>	1,128,674
Equity		
Share capital (note 5)	6,129,248	6,129,248
Subscriptions received in advance	951,868	906,868
Option and warrant reserve	189,940	189,940
Deficit	(8,293,001)	(8,013,646)
Total shareholders' equity attributable to shareholders of Metalero Mining Corp.	<u>(966,945)</u>	(787,590)
Non-controlling interest (note 2)	222,305	222,305
Total shareholders' equity	<u>(744,640)</u>	(565,285)
Total liabilities and shareholders' equity	<u>\$ 479,062</u>	<u>\$ 563,389</u>
Nature of operations and going concern (note 1)		
Subsequent events (note 9)		

Approved by the Board of Directors

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

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

METALERO MINING CORP.

Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(unaudited)

For the	three months ended		nine months ended	
	July 31 2024	July 31 2023	July 31 2024	July 30 2023
Expenses				
Advertising and promotion	\$ 155	\$ 460	\$ (47,930)	\$ 5,849
Management consulting (note 7)	46,500	16,500	79,500	49,500
Office and administration	27,396	27,172	80,506	73,674
Professional fees	41,197	57,593	73,971	113,093
Regulatory and filing fees	10,690	709	28,047	16,212
ROU asset depreciation	8,016	-	23,871	-
	(133,954)	(102,434)	(237,965)	(258,328)
Other income				
Exploration expenses	(42,670)	(25,220)	(42,670)	(67,801)
Foreign exchange (loss) gain	19,581	15,695	17,598	21,151
Interest (expense) income	(11,136)	(409)	(16,318)	920
Net and comprehensive loss for the period	(168,179)	(112,368)	(279,355)	(304,058)
Net loss and comprehensive loss attributable to:				
Shareholders' of Metalero Mining Corp.	(168,179)	(112,368)	(279,355)	(304,058)
Non-controlling interest	-	-	-	-
	\$ (168,179)	\$ (112,368)	\$ (279,355)	\$ (304,058)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.06)
Basic and diluted weighted average number of common shares outstanding	6,336,355	6,336,355	6,336,355	4,950,806

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

METALERO MINING CORP.

Consolidated Condensed Interim Statements of Changes in Equity
Expressed in Canadian Dollars

(unaudited)

	Share capital	Subscriptions received in advance	Option and warrant reserve	Deficit	Attributable to shareholders' of Metalero Mining Cotp	Non-controlling interest	Total Equity
Balance at October 31, 2022	\$ 5,703,409	\$ 761,368	\$ 178,440	\$ (7,422,751)	\$ (779,534)	\$ -	\$ (779,534)
Shares issued for cash	475,000	-	-	-	475,000	-	475,000
Advanced subscriptions returned	-	(50,000)	-	-	(50,000)	-	(50,000)
Subscriptions received in advance	-	25,500	-	-	25,500	-	25,500
Share issuance costs	(66,161)	-	28,500	-	(37,661)	-	(37,661)
Net loss	-	-	-	(304,058)	(304,058)	-	(304,058)
Balance at July 31, 2023	\$ 6,112,248	\$ 736,868	\$ 206,940	\$ (7,726,809)	\$ (670,753)	\$ -	\$ (670,753)
Shares issued for cash	-	-	-	-	-	-	-
Subscriptions received in advance	-	170,000	-	-	170,000	-	170,000
Advanced subscriptions returned	-	-	-	-	-	-	-
Share issuance costs	17,000	-	(17,000)	-	-	-	-
Non-controlling interest	-	-	-	-	-	222,305	222,305
Net loss	-	-	-	(286,837)	(286,837)	-	(286,837)
Balance at October 31, 2023	\$ 6,129,248	\$ 906,868	\$ 189,940	\$ (8,013,646)	\$ (787,590)	\$ 222,305	\$ (565,285)
Subscriptions received in advance	-	45,000	-	-	45,000	-	45,000
Net loss	-	-	-	(224,355)	(224,355)	-	(224,355)
Balance at July 31, 2024	\$ 6,129,248	\$ 951,868	\$ 189,940	\$ (8,238,001)	\$ (966,945)	\$ 222,305	\$ (744,640)

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METALERO MINING CORP
Consolidated Condensed Interim Statements of Cash Flows
Expressed in Canadian Dollars

(unaudited)

For the nine months ended	July 31, 2024	July 31, 2023
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (279,355)	\$ (304,058)
Items not affecting cash:		
Depreciation	-	4,158
Depreciation of ROU asset	23,871	23,623
Foreign exchange	1,461	2,515
Changes in non-cash working capital:		
Goods and services tax receivable	1,479	(1,063)
Accounts receivable and prepayments	11,933	27,250
Accounts payable and accrued liabilities	100,185	(130,182)
Cash used in operating activities	<u>(140,426)</u>	<u>(377,757)</u>
Investing activities		
Net exploration and evaluation property recovery/(expenditures)	<u>40,000</u>	-
Cash provided by investing activities	<u>40,000</u>	-
Financing activities		
Lease payments	(27,453)	(28,225)
Loans received	103,800	-
Repayment of loans	(30,098)	-
Advance share subscriptions received	45,000	25,500
Advanced share subscriptions returned	-	(50,000)
Proceeds from private placements	-	475,000
Share issuance costs	-	(37,661)
Cash provided by financing activities	<u>91,249</u>	<u>384,614</u>
Net (decrease) increase in cash	(9,177)	6,857
Cash, beginning of period	<u>9,891</u>	<u>5,132</u>
Cash, end of period	<u>\$ 714</u>	<u>\$ 11,989</u>

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

METALERO MINING CORP.

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2024 and 2023

Expressed in Canadian Dollars

(unaudited)

1. Nature of operations and going concern

Metalero Mining Corp. (“Metalero” or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 25, 2018. The Company’s common shares are listed for trading on the TSX Venture Exchange under the trading symbol “CRTS”, on the OTCPK Venture Market under the trading symbol “CRTTF”. The Company’s head office is at 250 South Ridge NW, Suite 300, Edmonton, Alberta, T6H 4M9.

Effective February 13, 2024, the Company consolidated its issued and outstanding common shares on a basis of one (1) post-consolidation common share for every fifteen (15) pre-consolidation shares (the “Share Consolidation”). These consolidated financial statements are shown on a post-consolidated basis. On February 13, 2024, the Company changed its name from Cortus Metals Inc. to Metalero Mining Corp. The Company’s shares are listed on the TSX Venture Exchange under the trading symbol “MLO”.

The Company’s principal business activities include exploration and development of mineral resources in Nevada, USA. All of the Company’s projects are considered to be in the exploration stage and the Company has not yet determined whether these properties contain mineral resources that are economically recoverable. The Company utilizes a modified “Project Generator” business model. Through research and early-stage exploration, the Company generates new exploration ideas, acquires mineral rights and performs exploration work to clearly identify drilling targets. Earn-in option agreements with third parties will fund drilling and more advanced exploration to earn an interest in the Company’s properties.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At July 31, 2024, the Company had not generated revenues and had a working capital deficit of \$1,164,199 (October 31, 2023 – \$1,019,129) and an accumulated deficit of \$8,238,001 (October 31, 2023 - \$8,013,646). The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company’s ability to continue as a going concern. These consolidated 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 consolidated financial statements.

2. Basis of presentation

a) Statement of Compliance

These consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies applied in preparation of these consolidated financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended October 31, 2023, unless otherwise stated.

b) Consolidated Condensed Interim Financial Statements

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Company on September 30, 2024.

These consolidated condensed interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and reporting currency of the Company.

METALERO MINING CORP.

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended July 31, 2024 and 2023

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These consolidated condensed interim financial statements include the accounts of the Company, and its controlled entities as follows:

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
Cortus US Holdco, Inc.	100%	Holding company
Intermont Resources LLC	100%	Holds mineral interest in Nevada
Cortus Properties LLC	49%	Holds mineral interest in Nevada

The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to determine the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany balances and transactions have been eliminated.

On May 30, 2023, the Company established a new subsidiary, Cortus US Holdco, Inc.

On July 31, 2023, the Company entered into a debt settlement agreement with an arms-length consultant (note 3), whereby the Company transferred its interests in the Cobre, Goldrun and Roberts Creek properties to Cortus Properties and issued a 49% membership interest in Cortus Properties LLC to the consultant. As a result, a non-controlling interest ('NCI') was recognized as being equal to the fair market value of the 49% interest in the properties transferred.

3. Loans

On July 31, 2023 (the "Effective Date"), the Company entered into a debt settlement agreement with an arms-length consultant, Tectonex LLC, (the "Consultant" or "Tectonex") to settle outstanding payables owed pursuant to a consulting agreement (the "Consulting Agreement") dated May 25, 2020. The Company and the consultant mutually agreed to terminate the Consulting Agreement effective December 31, 2022 and settle accounts payable of US \$330,000. The terms of the settlement are as follows:

- The Company will issue to Tectonex a promissory note in the amount of US \$165,000, with the principal amount of such note (the "Note Payment Amount") being paid off in full by no later than ten(10) months following the Effective Date in the form of: (i) monthly cash payments to Tectonex in the amount of US \$12,000 (the "Monthly Payments"), paid on the last calendar day of each month following the Effective Date. As part of the negotiation of the settlement terms the Company began paying monthly installments in April 2023, and as of July 31, 2024, US \$120,000 (\$162,588) had been paid.
- Tectonex will credit Metalero in the amount of US \$39,841 (\$41,087) for settlement of advanced payment of operating expenses in Nevada, USA.
- The Company will issue common shares in the amount of \$50,000 (outstanding at July 31, 2024).
- The Company will promptly transfer three Nevada Properties owned by Intermont Resources LLC as of the Effective Date and commonly referred to as the "Goldrun," "Roberts Creek" and "Cobre" properties to Cortus Properties LLC via quitclaim deed (the "Property Transfers") and promptly following the Property Transfers, Cortus Properties LLC shall issue to the Consultant membership interests equal to 49% of the total issued and outstanding membership interests of Cortus Properties LLC.

During the nine-months ended July 31, 2024, the Company received short-term loans from related parties to make critical payments in the amount of \$103,800. These loans are unsecured, non-interest bearing and have no specific terms of repayment.

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Notes to the Consolidated Condensed Interim Financial Statements

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4. Exploration and evaluation properties

The Metalero portfolio includes projects and prospects vary from grassroots exploration targets to drill-ready-stage targets underpinned by geochemical or geophysical data or a combination of the two.

Nevada Properties

Costs incurred by the Company are summarized as follows:

Nine months ended July 31, 2024	Cobre	Goldrun	Grayson	Powerline	Roberts Creek	West Ivanhoe	Total
Total E&E assets, July 31, 2024 a	\$ 87,746	\$ 74,025	\$ 83,136	\$ 79,979	\$ 62,878	\$ 58,594	\$ 446,358
Option payments received	-	-	(20,000)	(20,000)	-	-	(40,000)
Total E&E assets, October 31, 2023 and	\$ 87,746	\$ 74,025	\$ 63,136	\$ 59,979	\$ 62,878	\$ 58,594	\$ 406,358

On May 16, 2024, the Company agreed to terms with Vulcan Resources Corp. (“Vulcan”), a private Canadian Corporation, to option 100% interest in Metalero’s Grayson and Powerline properties in Nevada, USA. Terms for option of each property are as follows:

- Reimbursement of 2024 claim fees (received during the year ended October 31, 2023).
- On signing: USD 20,000 cash for each property (partial payment received)
- Annual payments to be paid for each property on or before the anniversary of the effective date as follows:
 - 1st year: USD 50,000
 - 2nd year: USD 50,000
 - 3rd year: USD 100,000
 - 4th year: USD 150,000
 - 5th year: USD 200,000
- All annual claim or property maintenance fees and reclamation costs shall be paid by Vulcan.
- Vulcan assumes the underlying net smelter returns royalty.
- By the end of the 5th year, Vulcan shall have completed a NI 43-101 compliant gold equivalent mineral resource estimate.
- Upon completion of a NI 43-101 compliant gold equivalent mineral resource estimate, Metalero will receive 1,000,000 common shares of Vulcan.
- Upon completion of a PEA or more advanced study, Metalero will receive an additional 1,000,000 common shares of Vulcan.

(unaudited)

5. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

On February 13, 2024, the Company completed a share consolidation of its capital on the basis of 15 existing common shares for 1 new post-consolidated common share. All common shares, per common share amounts, warrants and options in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at October 31, 2023 and July 31, 2024	6,336,356	\$ 6,129,248

On February 28, 2023, the Company completed a private placement raising aggregate gross proceeds of \$475,000 through the sale of 3,166,667 common shares at a price of \$0.01 per share. In connection with the sale of the shares, Metalero paid fees of \$28,500 cash, and issued 190,000 non-transferable agent warrants to an eligible finder. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of \$0.75 until February 28, 2025.

b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock option activity in the period is as follows:

	Number of options	Weighted average exercise price
Outstanding options, October 31, 2023 and July 31, 2024	186,567	\$ 1.80

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A summary of stock options outstanding and exercisable is as follows:

Exercise Price	Number of options	July 31, 2024	Exercise Price	Number of options	October 31, 2023
		Remaining contractual life (years)			Remaining contractual life (years)
\$ -	-	-	\$ -	-	-
0.75	58,667	0.8	0.75	58,667	1.0
2.25	112,000	1.6	2.25	112,000	1.8
2.25	15,900	2.0	2.25	15,900	2.3
\$ 1.78	186,567	1.4	\$ 1.78	186,567	1.6

c) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, October 31, 2023	1,807,511	\$ 2.10
Expired	(1,617,511)	2.25
Outstanding warrants, July 31, 2024	190,000	\$ 0.83

A summary of warrants outstanding and exercisable is as follows:

Exercise Price	Number of warrants	July 31 2024	Exercise Price	Number of warrants	October 31, 2023
		Remaining contractual life (years)			Remaining contractual life (years)
\$ -	-	-	\$ 2.25	1,136,667	0.4*
-	-	-	2.25	283,356	0.4*
-	-	-	2.25	64,156	0.4*
-	-	-	2.25	133,332	0.4*
0.75	190,000	0.8	0.75	190,000	1.3
\$ 0.75	190,000	0.8	\$ 2.09	1,807,511	0.5

*During the nine months ended July 31, 2024, these warrants expired unexercised.

6. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices 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.

As at July 31, 2024, the Company believes that the carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at July 31, 2024, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

(unaudited)

Classification of financial instruments

Financial assets included in the condensed interim statement of financial position are as follows:

	<u>July 31, 2024</u>	<u>October 31, 2023</u>
Financial assets at amortized cost		
Cash	\$ 714	\$ 9,891
	<u>\$ 714</u>	<u>\$ 9,891</u>

Financial liabilities included in the condensed interim statement of financial position are as follows:

	<u>July 31, 2024</u>	<u>October 31, 2023</u>
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	\$ 1,005,781	\$ 960,596
Lease liability	87,431	111,290
Loans	130,490	56,788
	<u>\$ 1,223,702</u>	<u>\$ 1,128,674</u>

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

7. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company accrued fees to directors and officers for management and professional services as follows:

For the nine months ended	<u>July 31, 2024</u>	<u>July 31, 2023</u>
Management fees to key management and directors	\$ 79,500	\$ 49,500
Accounting fees included in professional fees	35,000	36,000
Geological consulting fees included in exploration expenses	40,000	-
	<u>\$ 154,500</u>	<u>\$ 85,500</u>

Related party balances

At July 31, 2024, accounts payable and accrued liabilities were \$421,228 (October 31, 2023 - \$318,816) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

At July 31, 2024, loans payable were \$103,800 due to key management and directors. These loans are unsecured, non-interest bearing and have no specific terms of repayment.

(unaudited)

8. Right-of-use asset/lease liability

The Company's subsidiary, Intermont Resources LLC is the lessee to a premise lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

(a) Right-of-Use Assets

As at July 31, 2024, right-of-use assets are recorded as follows:

	2024
As at October 31, 2023	\$ 86,952
Depreciation	(23,871)
Foreign exchange	2,133
As at July 31, 2024	\$ 65,214

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	2024
Undiscounted minimum lease payments:	
Less than one year	\$ 41,308
Two to three years	42,960
Three to four years	10,954
	95,222
Effect of discounting	(7,791)
Present value of minimum lease payments	87,431
Less current portion	(35,418)
Long-term portion	\$ 52,013

(c) Lease Liabilities Continuity

As at July 31, 2024, lease liabilities are recorded as follows:

	2024
As at October 31, 2023	\$ 111,290
Cash flows:	
Leases payments	(30,433)
Foreign exchange	6,574
As at July 31, 2024	\$ 87,431

9. Subsequent events

Subsequent to July 31, 2024, the Company closed the first tranche of a private placement by issuing a total of 6,023,330 common shares at a price of \$0.15 per Share for gross proceeds of \$903,500 which was previously raised. All securities issued are subject to a hold period until January 25, 2025. No finder's fees were paid in connection with the closing of this first tranche.