
ARIZONA METALS CORP.
AMENDED AND RESTATED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Explanatory note

The Audit Committee and the Board of Directors, in consultation with management of the Company, has determined that the Company's unaudited condensed interim consolidated financial statements for the three and nine-month period ended September 30, 2024, filed November 14, 2024, should be restated and re-filed to correct an overstatement in the Company's share-based payments for the three and nine-months ended September 30, 2024. The correction of this error results in no change to total assets or total liabilities, a decrease in operating loss and net loss and comprehensive loss for the period, and an increase in share reserves for the period. These amended and restated unaudited condensed interim consolidated financial statements for the three and nine-month period ended September 30, 2024 replace and supersede the previously filed unaudited condensed interim consolidated financial statements in respect of the same period filed on November 14, 2024.

Arizona Metals Corp.

Amended and Restated Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at September 30, 2024 As restated (note 10)	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 485,908	\$ 550,399
Investments	14,069,570	29,546,734
Sales tax recoverable	45,815	35,975
Prepaid expenses	617,597	388,076
Total current assets	15,218,890	30,521,184
Non-current assets		
Deposits	544,948	544,948
Property and equipment (note 3)	178,878	198,360
Reclamation bond (note 7)	295,028	295,028
Total assets	\$ 16,237,744	\$ 31,559,520
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 1,781,690	\$ 1,534,729
Total liabilities	1,781,690	1,534,729
Shareholders' equity		
Share capital (note 4)	110,147,184	107,538,079
Reserves (notes 5 and 6)	6,568,456	6,363,279
Deficit	(102,259,586)	(83,876,567)
Total shareholders' equity	14,456,054	30,024,791
Total liabilities and shareholders' equity	\$ 16,237,744	\$ 31,559,520

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

Nature of operations and going concern (note 1)

Commitments and contingencies (notes 7 and 9)

Arizona Metals Corp.

Amended and Restated Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended September 30, 2024 As restated (note 10)	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024 As restated (note 10)	Nine Months Ended September 30, 2023
Operating expenses				
Salaries and benefits (note 8)	\$ 284,006	\$ 265,770	\$ 911,927	\$ 1,575,968
Exploration and evaluation expenditures (note 7)	5,685,929	4,286,545	14,939,145	11,890,758
Office and general	46,376	184,746	353,271	361,334
Professional fees (note 8)	162,617	103,175	670,511	265,840
Business development	99,438	94,575	357,109	264,905
Share-based payments (notes 5, 6, 8 and 10)	(495,084)	487,289	1,679,432	1,174,264
Filing fees	96,040	39,915	197,789	317,848
Depreciation (note 3)	16,916	15,842	46,671	43,004
Operating loss before the following item	(5,896,238)	(5,477,857)	(19,155,855)	(15,893,921)
Interest income	176,636	413,909	772,836	1,220,281
Net loss and comprehensive loss for the period	\$ (5,719,602)	\$ (5,063,948)	\$ (18,383,019)	\$ (14,673,640)
Basic and diluted net loss per share	\$ (0.05)	\$ (0.04)	\$ (0.15)	\$ (0.13)
Weighted average number of common shares outstanding	120,195,850	116,041,804	118,729,801	116,036,412

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

Arizona Metals Corp.

Amended and Restated Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Reserves	Deficit	Total
	Shares	Amount			
Balance, December 31, 2022	116,009,804	\$107,274,620	\$ 4,928,679	\$ (59,528,536)	\$ 52,674,763
Stock options exercised (note 5)	32,000	11,412	(3,412)	-	8,000
Share-based payments	-	-	1,174,264	-	1,174,264
Net loss for the period	-	-	-	(14,673,640)	(14,673,640)
Balance, September 30, 2023	116,041,804	\$107,286,032	\$ 6,099,531	\$ (74,202,176)	\$ 39,183,387
Balance, December 31, 2023	116,492,304	\$107,538,079	\$ 6,363,279	\$ (83,876,567)	\$ 30,024,791
Stock options exercised (note 5)	3,849,500	2,303,155	(1,168,305)	-	1,134,850
RSUs vested (note 6)	40,829	305,950	(305,950)	-	-
Share-based payments (notes 5, 6, 8 and 10)	-	-	1,679,432	-	1,679,432
Net loss for the period	-	-	-	(18,383,019)	(18,383,019)
Balance, September 30, 2024 - As restated (note 10)	120,382,633	\$110,147,184	\$ 6,568,456	\$ (102,259,586)	\$ 14,456,054

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

Arizona Metals Corp.

Amended and Restated Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended September 30, 2024 As restated (note 10)	Nine Months Ended September 30, 2023
Operating activities		
Net loss for the period	\$ (18,383,019)	\$ (14,673,640)
Adjustments for:		
Share-based payments	1,679,432	1,174,264
Depreciation	46,671	43,004
Accrued interest	74,032	-
Changes in non-cash working capital items:		
Sales tax recoverable	(9,840)	61,400
Prepaid expenses and deposits	(229,521)	(316,858)
Accounts payable and accrued liabilities	246,961	1,211,272
Net cash used in operating activities	(16,575,284)	(12,500,558)
Investing activities		
Purchase of property and equipment	(27,189)	(160,639)
Purchase of investments	(15,746,130)	(85,193,974)
Redemption of investments	31,149,262	91,973,881
Net cash provided by investing activities	15,375,943	6,619,268
Financing activities		
Proceeds from exercise of stock options	1,134,850	8,000
Net cash provided by financing activities	1,134,850	8,000
Net change in cash	(64,491)	(5,873,290)
Cash, beginning of period	550,399	6,958,183
Cash, end of period	\$ 485,908	\$ 1,084,893
Supplemental information		
Interest received	\$ 846,868	\$ 1,220,281

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

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Arizona Metals Corp. ("AMC" or the "Company") was incorporated under the Canada Business Corporations Act on June 28, 2017. The Company's head office, principal address and registered and records office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7. The Company completed its Initial Public Offering on March 6, 2018 and was classified as a Capital Pool Company ("CPC") as defined by the TSX Venture Exchange ("TSX-V").

On August 1, 2019, the Company completed a reverse take-over transaction ("RTO") with Croesus Gold Corp. ("Croesus"), which changed to Arizona Metals Holdings Corp. subsequent to RTO, wherein the Company acquired 100% of the issued and outstanding common shares of Croesus. As a result of the share exchange, Croesus was considered to have control. While the Company was the legal acquirer, the accounting acquirer was Croesus and these financial statements are consolidated and presented with Croesus as the continuing entity. Concurrent with the RTO, the Company changed its name to Arizona Metals Corp. and began trading on the TSX-V under the symbol "AMC". On August 6, 2020, the Company began trading on the OTCQB under the ticker "AZMCF" and moved to the OTCQX in January 2021. On October 13, 2022, the Company's common shares were delisted from the TSX-V upon graduation to the TSX.

AMC is a Canadian exploration company focused on precious metal exploration in the United States. At the date of these unaudited condensed interim consolidated financial statements, the Company does not have any operating mines, nor has it earned any income from production.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

AMC is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of \$13,437,200 at September 30, 2024 (December 31, 2023 - \$28,986,455). For the nine months ended September 30, 2024, the Company had a net loss of \$18,383,019 (nine months ended September 30, 2023 - \$14,673,640), and had cash outflows from operations of \$16,575,284 (nine months ended September 30, 2023 - \$12,500,558).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2023 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of December 16, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2023.

3. Property and equipment

Cost	Equipment	Vehicles	Total
Balance, December 31, 2022	\$ 12,766	\$ 58,145	\$ 70,911
Additions	110,009	100,329	210,338
Balance, December 31, 2023	\$ 122,775	\$ 158,474	\$ 281,249
Additions	27,189	-	27,189
Balance, September 30, 2024	\$ 149,964	\$ 158,474	\$ 308,438

Accumulated Depreciation	Equipment	Vehicles	Total
Balance, December 31, 2022	\$ 2,871	\$ 17,444	\$ 20,315
Depreciation for the year	20,265	42,309	62,574
Balance, December 31, 2023	23,136	59,753	82,889
Depreciation for the period	24,458	22,213	46,671
Balance, September 30, 2024	\$ 47,594	\$ 81,966	\$ 129,560

Carrying Value	Equipment	Vehicles	Total
Balance, December 31, 2023	\$ 99,639	\$ 98,721	\$ 198,360
Balance, September 30, 2024	\$ 102,370	\$ 76,508	\$ 178,878

4. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

4. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022	116,009,804	\$ 107,274,620
Stock options exercised	32,000	11,412
Balance, September 30, 2023	116,041,804	\$ 107,286,032
Balance, December 31, 2023	116,492,304	\$ 107,538,079
Stock options exercised	3,849,500	2,303,155
RSUs vested	40,829	305,950
Balance, September 30, 2024	120,382,633	\$ 110,147,184

5. Stock options (Restated)

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, grant to the directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The board of directors has discretion to the number, vesting period and expiry date of each option award.

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022	6,657,000	\$ 1.01
Issued (i)(ii)(iii)	414,500	4.09
Exercised	(32,000)	0.25
Balance, September 30, 2023	7,039,500	\$ 1.19
Balance, December 31, 2023	6,589,000	\$ 1.26
Issued (iv)(v)	1,641,000	2.10
Exercised	(3,849,500)	0.29
Forfeited	(414,168)	2.55
Balance, September 30, 2024	3,966,332	\$ 2.40

During the three and nine months ended September 30, 2024, the Company recognized share-based payments recovery of \$106,146 and expense of \$1,442,907, respectively (2023 - expense of \$323,620 and \$895,838, respectively) related to the stock options granted and vested.

- (i) On April 21, 2023, the Company granted 349,500 stock options to directors and consultants of the Company with exercise price of \$4.25 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date. The stock options were assigned a grant date value of \$991,558 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$4.22, expected dividend yield of 0%, expected volatility of 83%, risk-free rate of return of 3.10%, and an expected maturity of 5 years.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

5. Stock options (continued)

- (ii) On June 5, 2023, the Company granted 25,000 stock options to a consultant of the Company with exercise price of \$3.39 per share, expiring in 5 years. The options vest 1/2 on 3 month anniversary of the grant date and 1/2 on the one year anniversary of the grant date. The stock options were assigned a grant date value of \$57,616 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$3.38, expected dividend yield of 0%, expected volatility of 84%, risk-free rate of return of 3.52%, and an expected maturity of 5 years.
- (iii) On July 6, 2023, the Company granted 40,000 stock options to directors of the Company with exercise price of \$3.10 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date. The stock options were assigned a grant date value of \$80,936 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$2.98, expected dividend yield of 0%, expected volatility of 84%, risk-free rate of return of 3.91%, and an expected maturity of 5 years.
- (iv) On January 25, 2024, the Company granted 1,000,000 stock options to directors, consultants and employees of the Company with exercise price of \$2.10 per share, expiring in 5 years. The options vest 1/2 immediately, 1/4 on January 25, 2025, and 1/4 on January 25, 2026. The stock options were assigned a grant date value of \$1,379,596 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$2.05, expected dividend yield of 0%, expected volatility of 83%, risk-free rate of return of 3.52%, and an expected maturity of 5 years.
- (v) On May 16, 2024, the Company granted 641,000 stock options to directors of the Company with exercise price of \$2.08 per share, expiring in 5 years. The options vest 1/3 on grant date, 1/3 on the one year anniversary of the grant date, and 1/3 on the two year anniversary of the grant date. The stock options were assigned a grant date value of \$1,004,224 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$2.25, expected dividend yield of 0%, expected volatility of 84%, risk-free rate of return of 3.64%, and an expected maturity of 5 years.

The following table reflects the stock options issued and outstanding as of September 30, 2024:

Fair value on grant date (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price (\$)	Expiry date
117,852	0.13	350,000	350,000	0.40	November 15, 2024
436,124	0.68	800,000	800,000	0.66	June 4, 2025
84,538	1.36	100,000	100,000	1.00	February 8, 2026
81,833	1.63	300,000	300,000	0.20	May 19, 2026
1,775,575	2.34	450,000	450,000	5.38	January 31, 2027
1,484,966	2.49	325,000	325,000	6.75	March 28, 2027
745,674	3.56	262,832	116,500	4.25	April 21, 2028
57,616	3.68	25,000	25,000	3.39	June 5, 2028
80,936	3.77	40,000	26,667	3.10	July 6, 2028
927,778	4.32	672,500	500,000	2.10	January 25, 2029
1,004,224	4.63	641,000	213,667	2.08	May 16, 2029
6,797,116	2.55	3,966,332	3,206,834	2.40	

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

6. Restricted share units and deferred share units (Restated)

The restricted share units ("RSUs") and deferred share units ("DSUs") plans are compensation programs designed to reward eligible participants for their services rendered to the Company. RSUs and DSUs are awarded at the discretion of the board of directors, with each unit representing the right to receive payment equivalent to the value of one common share of the Company, subject to specified conditions and restrictions. These conditions often include continued employment or engagement with the Company.

Unless otherwise set forth in the RSU Agreement and DSU Agreement, RSUs and DSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date. The Company has discretion to settle the vested RSUs and DSUs in the form of common shares, their cash equivalent, or a combination thereof. The RSU and DSU plans aim to align the interests of participants with the long-term performance and success of the Company while providing a mechanism for incentivizing and retaining key talent.

(a) Restricted share units

The Company's RSUs outstanding are as follows:

	Number of RSUs
Balance, December 31, 2022	-
Granted (i)(ii)	262,500
Balance, September 30, 2023 and December 31, 2023	262,500
Granted (iii)	522,000
Vested and exercised	(72,500)
Cancelled	(556,000)
Balance, September 30, 2024	156,000

During the three and nine months ended September 30, 2024, the Company recognized share-based payments recovery of \$436,838 and expense of \$106,883, respectively (2023 - expense of \$163,669 and \$278,426, respectively) related to the RSUs granted.

- (i) On April 21, 2023, the Company granted 232,500 RSUs to directors and consultants of the Company under the terms of the Company's RSU Plan. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date. The RSUs were assigned a grant date value of \$981,150 based on the prevailing market price on the grant date. During the nine months ended September 30, 2024, the Company issued 40,829 common shares from vesting of 72,500 RSUs which were settled on a net exercise basis.
- (ii) On July 6, 2023, the Company granted 30,000 RSUs to directors of the Company under the terms of the Company's RSU Plan. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date. The RSUs were assigned a grant date value of \$89,400 based on the prevailing market price on the grant date. During the nine months ended September 30, 2024, 10,000 RSUs vested but not exercised.
- (iii) On January 25, 2024, the Company granted 522,000 RSUs to directors and consultants of the Company under the terms of the Company's RSU Plan. The RSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date. The RSUs were assigned a grant date value of \$1,070,100 based on the prevailing market price on the grant date. No RSUs vested during the nine months ended September 30, 2024.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

6. Restricted share units and deferred share units (continued)

(b) Deferred share units

The Company's DSUs outstanding are as follows:

	Number of DSUs
Balance, December 31, 2022, September 30, 2023 and December 31, 2023	-
Granted (i)	152,000
Balance, September 30, 2024	152,000

During the three and nine months ended September 30, 2024, the Company recognized share-based payments expense of \$47,900 and \$129,642, respectively (2023 - \$nil and \$nil, respectively) related to the DSUs granted.

(i) On January 25, 2024, the Company granted 152,000 DSUs to directors of the Company under the terms of the Company's DSU Plan. The DSUs vest 1/3 on the one year anniversary of the grant date, 1/3 on the two year anniversary of the grant date, and 1/3 on the third year anniversary of the grant date. The DSUs were assigned a grant date value of \$311,600 based on the prevailing market price on the grant date. No DSUs vested during the nine months ended September 30, 2024.

7. Exploration and evaluation expenditures

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Sugarloaf Peak Gold Project				
Concession fees and taxes	\$ 14,284	\$ 12,105	\$ 38,894	\$ 35,518
Consulting	7,149	95,202	7,149	121,317
Camp costs	1,696	-	1,696	-
	23,129	107,307	47,739	156,835
Kay Mine				
Acquisition cost	430,945	-	966,601	-
Concession fees and taxes	5,378	3,658	12,993	10,378
Legal fees	33,253	-	170,841	41,227
Consulting	382,543	119,964	1,115,113	365,456
Camp costs	30,198	20,727	51,393	150,323
Drilling	4,513,720	3,825,329	11,807,069	10,584,981
Assays	222,816	209,560	723,449	580,684
Storage	43,947	-	43,947	874
	5,662,800	4,179,238	14,891,406	11,733,923
Total exploration and evaluation expenditures	\$ 5,685,929	\$ 4,286,545	\$ 14,939,145	\$ 11,890,758

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

7. Exploration and evaluation expenditures (continued)

Sugarloaf Peak Gold Project

On December 16, 2014, Croesus entered into an option agreement with Riverside Resources Inc. ("Riverside") effective December 16, 2014, as amended December 18, 2015 and March 21, 2016 (the "Sugarloaf Option Agreement") whereby Riverside granted to Croesus the irrevocable and exclusive right and option (the "Option") to purchase and acquire 100% of Riverside's right, title and interest (of any nature or kind whatsoever) in and to the Sugarloaf Peak Gold Project, which was fully exercised.

The Sugarloaf Gold Peak Project is subject to a 2% net smelter return royalty due to Riverside and a 1.5% royalty to Arizona Gold Holdings, LLC. AMC has the right to repurchase 0.5% of the royalty granted to Riverside for \$2,000,000 until the commencement of production on the Sugarloaf Peak Gold Project. In addition, AMC retains the right to require Riverside to repurchase 1% of the 1.5% royalty held by Arizona Gold Holdings, LLC for US\$1,000,000, which repurchase amount would be funded by AMC.

At September 30, 2024, the Company has provided aggregate of \$54,652 (December 31, 2023 - \$54,652) in deposits as security against potential future reclamation work related to the Sugarloaf Peak Gold Project.

Kay Mine

On November 15, 2018, Croesus entered into an acquisition agreement ("Acquisition Agreement") with Silver Spruce Resources Inc. ("Silver Spruce") to acquire 100% interest in certain patented and unpatented mining claims in Yavapai County, Arizona, USA, known collectively as the "Kay Mine Claims". The purchase price includes:

- (a) Cash consideration of \$50,000 (paid); and
- (b) the assumption by the Company of a loan on the closing date with a principal amount of US\$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of \$652,165.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement ("Extension Agreement"). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of \$200,000 on May 9, 2019 and \$150,000 on June 27, 2019, satisfying all of the Company's obligations under the Acquisition Agreement and Extension Agreement.

In January 2021, the Company entered into a purchase option and sale agreement to acquire 100% of six parcels of patented land totaling 107 acres, located 900 metres northeast of its Kay Mine VMS Project. The purchase price was \$2,853,057 (US\$2,250,000) and the purchase was completed in May 2021.

In August 2023, the Company entered into a purchase and sale agreement with an arm's length party to acquire 100% of a private land parcel, located northeast of its Kay Mine Project. The property includes the surface, mineral, and water rights, among other rights and benefits. The purchase price was \$3,422,174 (US\$2,500,000) and the purchase was completed in December 2023.

In May 2024, the Company acquired 100% of an Arizona State Land parcel totaling 40 acres. The purchase price was \$515,097 (US\$366,100).

In August 2024, the Company acquired a parcel of land totaling approximately 4 acres for \$430,263 (US\$325,000).

At September 30, 2024, the Company has provided aggregate of \$240,376 (December 31, 2023 - \$240,376) in deposits as security against potential future reclamation work related to the Kay Mine.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

8. Related party transactions (Restated)

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Salaries and benefits	\$ 190,947	\$ 265,769	\$ 734,786	\$ 1,575,967
Share-based payments	(553,176)	282,855	1,367,323	744,239
Professional fees	16,240	11,323	47,895	39,722
Legal fees	28,625	48,542	364,408	142,803
	\$ (317,364)	\$ 608,489	\$ 2,514,412	\$ 2,502,731

As at September 30, 2024, \$20,000 (December 31, 2023 - \$350,000) was owed to officers and directors of the Company and this amount was included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Included in professional fees is \$16,240 and \$47,895, respectively (2023 - \$11,323 and \$39,722, respectively) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer ("CFO") of the Company and provide bookkeeping services.

(c) Conor Dooley, a director of the Company, is a partner in a law firm that provides services on a recurrent basis to the Company. During the three and nine months ended September 30, 2024, the Company incurred legal fees of \$28,625 and \$364,408, respectively (2023 - \$48,542 and \$142,803, respectively) included in professional fees to this law firm.

9. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Arizona Metals Corp.

Amended and Restated Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2024

(Expressed in Canadian Dollars)

Unaudited

10. Restatement to the financial statements

The consolidated interim financial statements of the Company as at September 30, 2024 and for the three and nine-months ended September 30, 2024 have been restated to correct an overstatement in the Company's share-based payments for the three and nine-months ended September 30, 2024. The Company discovered the deficiencies in the accounting information subsequent to the filing and issuance of the financial statements.

The following table presents the impact of the restatement adjustments on the Company's previously issued consolidated interim financial statements for the three and nine months ended September 30, 2024.

Impact to Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2024	As previously reported	Adjustment	As restated
Reserves	\$ 7,606,885	\$ (1,038,429)	\$ 6,568,456
Deficit	\$(103,298,015)	\$ 1,038,429	\$(102,259,586)

Impact to Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three months ended September 30, 2024	As previously reported	Adjustment	As restated
Share-based payments	\$ 543,345	\$ (1,038,429)	\$ (495,084)
Net loss and comprehensive loss for the period	\$ (6,758,031)	\$ 1,038,429	\$ (5,719,602)
Net loss per common share - basic and fully diluted	\$ (0.06)	\$ 0.01	\$ (0.05)

Nine months ended September 30, 2024	As previously reported	Adjustment	As restated
Share-based payments	\$ 2,717,861	\$ (1,038,429)	\$ 1,679,432
Net loss and comprehensive loss for the period	\$ (19,421,448)	\$ 1,038,429	\$ (18,383,019)
Net loss per common share - basic and fully diluted	\$ (0.16)	\$ 0.01	\$ (0.15)

Impact to Condensed Interim Consolidated Statements of Cash Flows

Nine months ended September 30, 2024	As previously reported	Adjustment	As restated
Net loss for the period	\$ (19,421,448)	\$ 1,038,429	\$ (18,383,019)
Adjustments for:			
Share-based payments	\$ 2,717,861	\$ (1,038,429)	\$ 1,679,432