

**GARIBALDI RESOURCES CORP.**

Condensed Interim Consolidated Financial Statements

October 31, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTE TO READER**

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these interim financial statements.

Garibaldi Resources Corp.  
Condensed Interim Consolidated Statements of Financial Position  
October 31, 2024 and January 31, 2024  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Note	October 31, 2024	January 31, 2024
<b>ASSETS</b>			
Current assets			
Cash		\$ 16,000	\$ 122,106
Receivables	4	10,238	38,455
Prepaid expenses and deposits		12,154	22,005
		38,392	182,566
Non-current assets			
Reclamation deposits	5	195,635	195,635
Equipment	6	62,208	73,781
Exploration and evaluation assets	7, 11	44,506,885	44,438,057
		44,764,728	44,707,473
<b>TOTAL ASSETS</b>		<b>\$ 44,803,120</b>	<b>\$ 44,890,039</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	8, 11	\$ 2,409,273	\$ 1,952,587
		2,409,273	1,952,587
Non-current liability			
Deferred tax liability		3,012,000	3,012,000
<b>TOTAL LIABILITIES</b>		<b>5,421,273</b>	<b>4,964,587</b>
<b>EQUITY</b>			
Share capital	10	67,922,735	67,922,735
Contributed surplus		5,753,221	5,753,221
Deficit		(34,294,109)	(33,750,504)
<b>TOTAL EQUITY</b>		<b>39,381,847</b>	<b>39,925,452</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 44,803,120</b>	<b>\$ 44,890,039</b>

Going Concern – Note 2  
Commitments – Notes 7, 9 and 10  
Subsequent Event – Note 7

Approved on behalf of the Board on December 17, 2024:

“Steve Regoci”  
Steve Regoci, CEO and Director

“Barrie DiCastrì”  
Barrie DiCastrì, CFO and Director

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

Garibaldi Resources Corp.  
Condensed Interim Consolidated Statements of Comprehensive Loss  
For the three and nine months ended October 31, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Note	For the three months ended October 31,		For the nine months ended October 31,	
		2024	2023	2024	2023
<b>Expenses</b>					
Bank charges, interest, and penalties		\$ 9,857	\$ 39,719	\$ 43,814	\$ 76,831
Consulting fees	11	8,186	4,930	27,293	29,180
Depreciation		177	223	533	5,358
Foreign exchange loss (gain)		(1,342)	(158)	(1,152)	(1,734)
Insurance		4,849	4,969	14,651	14,744
Management fees	11	72,000	72,000	216,000	216,000
Office and miscellaneous		2,799	2,641	8,817	10,129
Professional fees		10,535	19,502	44,111	62,262
Property investigation costs		-	-	2,760	-
Rent		17,065	20,642	58,551	58,881
Share-based payments	10	-	25,000	-	25,000
Shareholder communications		-	10,000	7,500	36,250
Telephone		2,234	4,736	8,563	8,427
Transfer agent and filing fees		1,477	4,937	18,942	15,260
Travel and entertainment		506	711	1,028	2,288
<b>Loss before other items</b>		<b>(128,343)</b>	<b>(209,852)</b>	<b>(451,412)</b>	<b>(558,876)</b>
<b>Other items</b>					
Interest income		1,408	4,084	5,813	6,940
Settlement of flow-through premium liability	14	-	243,963	-	309,313
Write-off of property taxes (Mexico)		-	-	(98,006)	(101,860)
		1,408	248,047	(92,193)	214,393
<b>Net and comprehensive (loss) income</b>		<b>\$ (126,935)</b>	<b>\$ 38,195</b>	<b>\$ (543,605)</b>	<b>\$ (344,483)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>137,402,853</b>	<b>137,303,940</b>	<b>137,402,853</b>	<b>137,303,219</b>

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



Garibaldi Resources Corp.  
Condensed Interim Consolidated Statements of Cash Flows  
For the nine months ended October 31, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	For the nine months ended October 31,	
	2024	2023
<b>Operating Activities</b>		
Net loss for the period	\$ (543,605)	\$ (344,483)
Adjustments for non-cash items:		
Depreciation	533	5,358
Share-based payments	-	25,000
Settlement of flow-through premium liability	-	(309,313)
Write-off of property taxes (Mexico)	98,006	101,860
Changes in non-cash working capital items:		
Receivables	28,217	3,265
Prepaid expenses and deposits	9,851	12,498
Trade payables and accrued liabilities	312,836	143,223
<b>Net cash flows provided by (used in) operating activities</b>	<b>(94,162)</b>	<b>(362,592)</b>
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	(11,944)	(1,050,596)
Reclamation deposits	-	(14,000)
<b>Net cash flows used in investing activities</b>	<b>(11,944)</b>	<b>(1,064,596)</b>
<b>Financing Activities</b>		
BCMETC receivable	-	158,069
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>158,069</b>
Change in cash	(106,106)	(1,269,119)
Cash, beginning	122,106	2,088,001
<b>Cash, ending</b>	<b>\$ 16,000</b>	<b>\$ 818,882</b>
<b>Supplemental Information</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -
<b>Non-cash Transactions</b>		
Depreciation on equipment capitalized to exploration and evaluation asset	\$ 11,041	\$ 9,382
Property taxes included in accounts payable	\$ 98,006	\$ 101,860
Exploration and evaluation asset included in accounts payable	\$ 45,843	\$ 378,475
Shares issued for exploration and evaluation assets	\$ -	\$ 12,000

**1. Corporate Information**

Garibaldi Resources Corp. (the “Company”) is an exploration stage company incorporated on November 22, 1993 under the laws of the Province of Alberta, Canada. On December 30, 2021, the Company was continued to the jurisdiction of British Columbia. Its business activity is the acquisition, exploration and evaluation of mineral properties located in Canada and Mexico. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “GGI”.

The Company’s head office and principal business address is Suite 1150 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

**2. Basis of Preparation**

***Statement of Compliance***

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the years ended January 31, 2024.

These condensed interim consolidated financial statements were authorized for issue on December 17, 2024 by the directors of the Company.

***Going Concern***

These condensed interim consolidated financial statements have been prepared on the assumption that the Company (and its subsidiaries) will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different basis of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At October 31, 2024, the Company has a working capital deficiency of \$2,370,881 and accumulated deficit of \$34,294,110. At October 31, 2024, the Company has not advanced its mineral properties to commercial production and has not generated revenue from operations. The Company’s continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. The Company has been successful in raising funds in the past to finance operations, however, there is no assurance it will be able to do so in the future or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

***Basis of Measurement***

These condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value as explained in the material accounting policies set out in Note 3. The condensed interim consolidated financial statements are presented in Canadian dollars which is also the Company’s functional currency.

**2. Basis of Preparation (cont'd)**

***Use of Accounting Judgments, Estimates and Assumptions***

Preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the condensed interim consolidated financial statements and of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether indicators of impairment exist and whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact any amounts charged to operations for reclamation and remediation. During the periods presented, no reclamation obligations were incurred and therefore, no provision has been recorded. This represents management's best estimate of the present value of future reclamation and remediation obligations. Actual future expenditures may differ from the estimate.

c) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**2. Basis of Preparation (cont'd)**

***Use of Accounting Judgments, Estimates and Assumptions (cont'd)***

d) Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. Please refer to Note 2 for additional information.

**3. Material Accounting Policies**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at January 31, 2024. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2024.

***Accounting Standards Issued But Not Yet Effective***

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

**4. Receivables**

	<b>October 31, 2024</b>	<b>January 31, 2024</b>
GST receivable	\$ 2,432	\$ 30,649
Other receivables	7,806	7,806
<b>Total</b>	<b>\$ 10,238</b>	<b>\$ 38,455</b>

The Company is exposed to credit risk on sales taxes receivable which consist of refundable government goods and services taxes. The Company records a 100% allowance on its Mexican sales tax receivable ("IVA"). During the nine months ended October 31, 2024, the Company recorded a write-down of IVA receivable of \$1,280 (January 31, 2024 – \$5,232) to office and miscellaneous.

**5. Reclamation Deposits**

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. The reclamation deposits are held in redeemable interest-bearing certificates with large financial institutions.

**6. Equipment**

***October 31, 2024***

	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Drilling and exploration equipment</b>	<b>Total</b>
Cost:				
At January 31, 2023 and October 31, 2024	67,619	12,994	452,889	533,502
Accumulated Depreciation:				
At January 31, 2024	60,857	12,364	386,500	459,721
Depreciation	1,521	94	9,958	11,573
At October 31, 2024	62,378	12,458	396,458	471,294
Net book value:				
At January 31, 2024	\$ 6,762	\$ 630	\$ 66,389	\$ 73,781
At October 31, 2024	\$ 5,241	\$ 536	\$ 56,431	\$ 62,208

During the nine months ended October 31, 2024, the Company capitalized \$11,041 in depreciation to exploration and evaluation assets.

***January 31, 2024***

	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Drilling and exploration equipment</b>	<b>Total</b>
Cost:				
At January 31, 2023 and 2024	67,619	12,994	452,889	533,502
Accumulated Depreciation:				
At January 31, 2023	57,959	12,207	369,902	440,068
Depreciation	2,898	157	16,598	19,653
At January 31, 2024	60,857	12,364	386,500	459,721
Net book value:				
At January 31, 2023	\$ 9,660	\$ 787	\$ 82,987	\$ 93,434
At January 31, 2024	\$ 6,762	\$ 630	\$ 66,389	\$ 73,781

During the year ended January 31, 2024, the Company capitalized \$18,763 in depreciation to exploration and evaluation assets.

Garibaldi Resources Corp.  
Notes to the Condensed Interim Consolidated Financial Statements  
October 31, 2024  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

**7. Exploration and Evaluation Assets**

**October 31, 2024**

	Canada				Total \$
	Red Lion \$	E & L \$	Palm Spring \$	Sid, Sunrise & Atlin \$	
<b>Acquisition Costs</b>					
Balance, January 31, 2024 and October 31, 2024	1,199,814	2,509,111	1,156,480	610,000	5,475,405
Deferred exploration costs					
Balance, January 31, 2024	746,897	35,187,833	2,097,043	930,879	38,962,652
Camp	-	1,530	-	-	1,530
Depreciation	-	11,041	-	-	11,041
Geology and mapping	1,225	53,032	-	2,000	56,257
Balance, October 31, 2024	748,122	35,253,436	2,097,043	932,879	39,031,480
<b>Total</b>	<b>1,947,936</b>	<b>37,762,547</b>	<b>3,253,523</b>	<b>1,542,879</b>	<b>44,506,885</b>

**January 31, 2024**

	Canada				Total \$
	Red Lion \$	E & L \$	Palm Spring \$	Sid, Sunrise & Atlin \$	
<b>Acquisition Costs</b>					
Balance, January 31, 2023	1,199,814	2,509,111	1,144,480	610,000	5,463,405
Additions	-	-	12,000	-	12,000
Balance, January 31, 2024	1,199,814	2,509,111	1,156,480	610,000	5,475,405
Deferred exploration costs					
Balance, January 31, 2023	682,526	33,730,779	2,091,343	833,952	37,338,600
Assays	-	91,428	-	1,116	92,544
Depreciation	-	18,763	-	-	18,763
Drilling and trenching	-	213,125	-	65,803	278,928
Equipment rental	1,045	75,510	-	-	76,555
Geology and mapping	46,236	481,482	2,400	14,028	544,146
Helicopter	-	375,404	-	-	375,404
Surveying	-	41,846	3,300	8,571	53,717
Travel and field	17,090	159,496	-	7,409	183,995
Balance, January 31, 2024	746,897	35,187,833	2,097,043	930,879	38,962,652
<b>Total</b>	<b>1,946,711</b>	<b>37,696,944</b>	<b>3,253,523</b>	<b>1,540,879</b>	<b>44,438,057</b>

**7. Exploration and Evaluation Assets (cont'd)**

**Mexico Properties**

The Company must incur minimum exploration and evaluation expenditures each year to keep its Mexican properties in good standing. The Company has not completed any exploration programs in Mexico for several years and does not have further exploration activities planned on its Mexican properties. Accordingly, all costs incurred on the Mexican properties are written off. During the nine months ended October 31, 2024, the Company accrued and wrote-off \$98,006 (January 31, 2024 - \$345,492) in land taxes on its Mexican properties. The Company is currently assessing potential sale and/or option agreements on its Mexican properties.

**La Patilla**

The Company owns a 100% interest in the La Patilla property located in Sinaloa State, Mexico. Should the property be placed into commercial production, the Company will issue 800,000 common shares to the original owner and will pay a 3% Net Smelter Return royalty capped at US\$3,000,000. The Company has the right to buy down the royalty to 1% by paying US\$2,000,000. During the year ended January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$5,119 related to the La Patilla property.

**Iris**

The Company owns a 100% interest in the Iris property located in Chihuahua State, Mexico. The property is subject to a 2% Net Smelter Return royalty. The Company has the right to buy down the royalty to 1% by paying US\$1,500,000 to the optionor. During the year ended January 31, 2023, the Company wrote-off acquisition costs of \$8,628 related to the Iris property.

**Sonora**

The Company owns 100% interests in two non-contiguous properties in Sonora State, Mexico, known as Tonichi and Rodadero. The properties are each subject to 1% Net Smelter Return royalties which the Company can purchase at any time for \$1,000,000 each. During the year ended January 31, 2023, the Company wrote-off acquisition costs of \$279,737 related to the and Tonichi and Rodadero properties.

**Canada Properties**

**King**

On August 15, 2009, the Company entered into a mineral property option agreement to earn a 100% interest in a mineral property located in the Iskut River area of British Columbia known as the King Property. Under the terms of the agreement, the Company paid \$30,000, issued 100,000 common shares with a fair value of \$21,000 and completed \$100,000 in exploration work on the King Property. The Company was to make an additional \$70,000 payment by June 30, 2014 which was not paid.

On December 15, 2015, the option agreement was amended and the Company earned a 100% interest in the King Property by agreeing to engage the optionor for \$72,500 of exploration work on the King Property in 2016 in lieu of making the final \$70,000 option payment. The optionor retained a Net Smelter Return royalty of 2%.

On October 29, 2021, the Company entered into a mineral property option agreement with another public company (the "optionee") in which it granted the optionee the right to earn 50% interest in select mineral claims on the King Property. The terms of option agreement provide that the optionee will earn a 50% interest in the select mineral claims upon issuing a total of 900,000 common shares to the Company and incurring \$500,000 in exploration work on the claims over a three-year period ending October 29, 2024.

**7. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**King** (cont'd)

At January 31, 2023 and 2024, the Company has not received the initial share issuances required under the option agreement, and therefore the agreement is considered to be in default. On July 7, 2023, the Optionee assigned the mineral property option agreement to Goldrea Resources Corp (“Goldrea”) a public company, and on November 22, 2024, the Company amended the agreement by reducing the exploration commitment from \$500,000 to \$250,000 (\$300,000 less \$50,000 incurred by the Optionee) to October 29, 2026 as consideration, Goldrea agreed to issue the 500,000 common shares that was due on October 29, 2024. As of December 17, 2024, the Company has received 350,000 common shares from Goldrea and 50,000 common shares from the Optionee. The remaining 500,000 common shares from Goldrea is still outstanding.

The Company does not have further exploration activities planned for the King property. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$296,943 related to the King property.

**Grizzly and Golden Bear**

The Company owned a 100% interest in the Grizzly property located in the Sheslay Valley in northwestern British Columbia, subject to a 2% Net Smelter Return royalty.

On January 27, 2014, the Company entered into an agreement to purchase a 100% interest in two additional mineral properties, East Hat and East Hat 2, adjacent to the Grizzly property. The vendor retained a 2% Net Smelter Return on production from the properties. The Company had the option at any time to reduce the Net Smelter Return to 1% for a payment of \$1,000,000 to the vendor. On March 5, 2014, the Company received TSX-V approval of the agreement and issued 100,000 common shares with a fair value of \$22,500 to the vendor.

On May 5, 2015, the Company acquired eight mineral claims known as the Golden Bear property adjacent to the southern border of the Company's Grizzly property. Under the terms of the agreement, the Company issued 150,000 common shares with a fair value of \$9,000 in exchange for a 100% interest in the Golden Bear property, subject to a 2% Net Smelter Return royalty, half of which the Company could buy back for \$1,000,000.

On November 22, 2022, the Company sold the Grizzly and Golden Bear properties for proceeds of \$400,000 resulting in a loss of \$1,570,662.

**7. Exploration and Evaluation Assets (cont'd)**

**Red Lion**

On January 31, 2014, the Company entered into a mineral property option agreement to acquire a 100% interest in six mineral tenures located in the Omenica Mining Division of British Columbia, known as the Red Lion Property. The optionor retained a Net Smelter Return royalty of 2% which may be reduced to 1% by the Company at any time for \$2,000,000. Under the terms of the agreement the option payments and share issuances were as follows:

- Within 10 days of TSX-V approval – cash payment of \$18,500 (paid) and issuance of 75,000 common shares (issued with a fair value of \$16,875).
- On or before January 31, 2015 – issuance of additional 150,000 common shares (issued with a fair value of \$25,500).
- On or before January 31, 2016 – issuance of additional 150,000 common shares (issued with a fair value of \$18,000).
- On or before January 31, 2017 – issuance of additional 150,000 common (issued with a fair value of \$22,500).
- On or before January 31, 2018 – issuance of additional 500,000 common shares (issued with a fair value of \$1,110,000).

On February 6, 2022, the Company entered into a mineral property purchase agreement to acquire a 100% interest in one mineral claim known as the Sola claim. The Sola claim is 214 hectares in size and is contiguous with the Company's Red Lion property. The Company paid the vendor \$1,562 and paid filing fees of \$560. The Sola claim is subject to a Net Smelter Return royalty of 1%. The Company has the right to buy one-half of the 1% net smelter royalty at any time for \$500,000.

On June 15, 2022, the Company issued 25,000 common shares with a fair value of \$9,375 to the vendor.

**Black Gold**

The Black Gold property consisted of a black granite quarry located near Grand Forks, British Columbia.

During the year ended January 31, 2023, the Company allowed the Black Gold mineral claims to lapse. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$85,167 related to the Black Gold property.

**Tora Tora**

The Tora Tora property is located in the Similkameen Mining Division of British Columbia. The mineral claims are subject to a 2% Net Smelter Return royalty.

The Company does not have substantial further exploration activities planned for the Tora Tora property. On January 31, 2023, the Company wrote-off acquisition and deferred exploration costs of \$209,529 related to the Tora Tora property. During the year ended January 31, 2024, the Company incurred \$13,301 in exploration cost. This amount is recorded as exploration cost in the consolidated statement of comprehensive loss.

**7. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**E&L**

On June 3, 2016, the Company entered into a mineral property option agreement to acquire a 100% interest in four mineral tenures located in the Liard Mining Division in northwest British Columbia known as the E&L property. In order to earn the interest, the Company was required make cash payments totalling \$100,000, issue 1,100,000 common shares over the four-year option period and incur exploration expenditures on the property totalling \$375,000 by the end of the four-year option period. The option is subject to a 2% Net Smelter Return royalty retained by the optionor.

Under the terms of the agreement, in order to acquire the 100% interest in the E&L property, the option payments, share issuances and exploration expenditures were as follows:

- Within 10 days of TSX-V approval – a cash payment of \$5,000 (paid) and the issuance of 100,000 common shares (issued with a fair value of \$10,500).
- On or before June 3, 2017 – a cash payment of \$15,000 (paid), the issuance of an additional 200,000 common shares (issued with a fair value of \$29,000) and exploration expenditures of \$25,000 (incurred).
- On or before June 3, 2018 – a cash payment of \$20,000 (paid), the issuance of an additional 250,000 common shares (issued with a fair value of \$787,500) and exploration expenditures of an additional \$50,000 (incurred).
- On or before June 3, 2019 – a cash payment of \$25,000 (paid), the issuance of an additional 250,000 common shares (issued with a fair value of \$672,500) and exploration expenditures of an additional \$75,000 (incurred).
- On or before June 3, 2020 – a cash payment of \$35,000 (paid), the issuance of an additional 300,000 common shares (issued with a fair value of \$807,000) and exploration expenditures of an additional \$225,000 (incurred).

During the year ended January 31, 2017, the Company increased the size of the E&L property in a series of mineral property purchase agreements as follows:

- i) Pursuant to a mineral property purchase agreement dated September 12, 2016, the Company acquired 20 mineral tenures, comprising 1,473 hectares known as the East Claims property in consideration for 150,000 common shares (issued during the year ended January 31, 2017 at a value of \$12,750) and a cash payment of \$15,000 (paid during the year ended January 31, 2017);
- ii) Pursuant to a mineral property purchase agreement dated October 18, 2016, the Company acquired two mineral tenures comprising approximately 89 hectares known as the E&L South and North claims in consideration for 75,000 common shares (issued during the year ended January 31, 2017 at a value of \$6,750); and
- iii) Pursuant to a mineral property purchase agreement dated October 28, 2016, the Company acquired 10 mineral tenures comprising approximately 4,148 hectares known as the Qu claims in consideration for 500,000 common shares (issued during the year ended January 31, 2017 at a value of \$65,000).

**7. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**Palm Spring**

On May 5, 2016 and amended on June 19, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 35 mineral tenures located in the Liard Mining Division in northwest British Columbia known as the Palm Spring property. The optionor retained a Net Smelter Return royalty of 2% which may be reduced to 1% by the Company at any time for \$1,000,000.

Under the terms of the agreement, in order to acquire a 100% interest in the Palm Spring property, the option payments and share issuances were as follows:

- Within 10 days of TSX-V approval – a cash payment of \$10,000 (paid) and the issuance of 100,000 common shares (issued with a fair value of \$8,000).
- On or before May 5, 2017 – the issuance of an additional 200,000 common shares (issued with a fair value of \$30,000).
- On or before May 5, 2018 – the issuance of an additional 300,000 common shares (issued with a fair value of \$924,000).
- On or before June 19, 2018 – the issuance of an additional 56,000 common shares (issued with a fair value of \$172,480).
- On or before June 19, 2018 – incur an additional \$97,000 in exploration expenditures (incurred).

On September 27, 2023, the Company entered into a restated amending agreement subject to approval of the TSX-V (October 24, 2023), the Company shall have the right and option to buy down the Retained Royalty to 1% by issuing to the optionor an aggregate of 500,000 common shares of the Company over a four year period as follows:

- i) 100,000 common shares five dates from the date of TSX-V (“initial share payment”) (issued with a fair value of \$12,000);
- ii) 100,000 common shares on or before the first anniversary date of the initial share payment; (subsequent to October 31, 2024, the 100,000 common shares have been issued)
- iii) 100,000 common shares on or before the second anniversary date of the initial share payment;
- iv) 100,000 common shares on or before the third anniversary date of the initial share payment; and
- v) 100,000 common shares on or before the fourth anniversary date of the initial share payment.

Upon the issuance of the 500,000 common shares, the Company may acquire the remaining 1.0% NSR by making a cash payment of \$2,000,000.

**7. Exploration and Evaluation Assets (cont'd)**

**Canada Properties (cont'd)**

**Sid, Sunrise & Atlin**

On October 5, 2016 and amended on September 20, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 17 mineral claims located in the Omenica Mining Division in British Columbia known as the Sid and Sunrise claims and a 100% interest in 4 mineral claims located in the Atlin Mining Division of British Columbia known as the Atlin claims. In order to earn the interests, the Company was required to pay \$90,000 (paid) and issue 500,000 common shares over a four-year option period. The mineral properties are subject to 2% Net Smelter Return royalties retained by the optionor. The 2% Net Smelter Return royalties may be reduced to 1% by the Company at any time for \$1,000,000.

Under the terms of the option agreement, in order to acquire the 100% interests in the mineral properties, the share issuances were as follows:

- Within 10 days of TSX-V approval – the issuance of 100,000 common shares (issued with a fair value of \$11,000).
- On or before October 5, 2017 – the issuance of an additional 100,000 common shares (issued with a fair value of \$220,000).
- On or before November 5, 2018 – the issuance of an additional 100,000 common shares (issued with a fair value of \$93,000).
- On or before November 5, 2019 – the issuance of an additional 100,000 common shares (issued with a fair value of \$98,000).
- On or before November 5, 2020 – the issuance of an additional 100,000 common shares (issued with a fair value of \$42,000).

On March 31, 2019, the Company entered into a mineral property purchase agreement to acquire a 100% interest in 21 mineral claims known as the Keystone claims located in the Atlin Mining Division of British Columbia. The purchase price was \$56,000.

**8. Accounts Payable and Accrued Liabilities**

	<b>October 31, 2024</b>	<b>January 31, 2024</b>
Property taxes payable (Mexico)	\$ 1,038,564	\$ 940,557
Accounts payable and accrued liabilities	1,370,709	1,012,030
<b>Total</b>	<b>\$ 2,409,273</b>	<b>\$ 1,952,587</b>

**9. Commitments**

*Management services agreements:*

The Company has entered into management services agreements which provide for monthly remuneration of \$12,000 for each of its Chief Executive Officer and Chief Financial Officer.

**9. Commitments – (cont'd)**

*Flow-through Expenditures:*

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them as the Company has not made the required exploration expenditures.

During the year ended January 31, 2023, the Company received \$2,771,200 from the issuance of flow-through shares. The Company renounced \$2,770,276 to the subscribers under the look-back rule and had until December 31, 2023 to incur the qualifying expenditures. A flow-through premium of \$610,443 was recognized initially, with \$577,067 remaining as at January 31, 2023. As at January 31, 2024, the deadline to incur the qualifying expenditures has passed and the Company did not fulfill its obligations of \$1,000,220. During the year ended January 31, 2024, the Company recognized \$353,444 (2023 - \$33,376) as settlement of flow-through liability premium for the qualifying exploration expenditures incurred and the remaining \$223,623 flow-through premium has been reversed into share capital. An amount totaling \$673,300 has been accrued for the indemnification of the shareholders for taxes and for penalties related to the unspent portion of the commitment pursuant to Part XII.6 of the Income Tax Act that levies a tax on flow-through share issued under the look-back rule, which is included in accounts payable and accrued liabilities at January 31, 2024. During the nine months ended October 31, 2024, the Company accrued \$42,109 in interest charges.

**10. Share Capital**

***Authorized:***

Unlimited common shares with no par value

***Issued:***

There were no shares issued during the nine months ended October 31, 2024.

During the year ended January 31, 2024:

On October 30, 2023, pursuant to the terms of the restated and amended agreement to the Palm Spring property, the Company issued 100,000 common shares fair valued at \$12,000 (Note 8).

***Financing Facility:***

On September 1, 2021, the Company entered into a definitive agreement with Alumina Partners (Ontario) Ltd. which provided for financing of up to \$12,000,000 over a three-year period by way of a draw down equity financing facility. Alumina Partners is an affiliate of New York-based private equity firm Alumina Partners, LLC.

The investment agreement was structured for rapid access to equity private placement tranches of up to \$500,000 each. Each tranche will be a private placement of units comprising one common share and one-half of one share purchase warrant exercisable for three years.

**10. Share Capital (cont'd)**

***Financing Facility:*** (cont'd)

The Company may elect to access funding as and when required at its sole discretion, and there are no standby charges or other upfront fees associated with the investment agreement. The units will be issued at a discount of 15% to 25% from the closing market price at the time each tranche is drawn down and the warrants will be issued at a 25% premium over the same closing market price. The expiry date of the warrants may be accelerated if the Company's common shares trade at equal to or greater than twice the exercise price for 20 consecutive days once the warrants are eligible to be exercised. Each unit issued under the investment agreement will be subject to the acceptance of the TSX Venture Exchange and the securities issued will be subject to a four-month hold period from the date of issuance. As of October 31, 2024, the Financing Facility has expired.

***Stock Options:***

On November 28, 2023, the Company adopted the equity incentive plan, that provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units ("RSU"), performance share units ("PSU") and deferred share units (collectively with the RSUs and PSUs, the "Performance-Based Awards") to eligible persons. The rolling stock option plan shall not exceed 10% of the Company's issued and outstanding shares from time to time, and the fixed 10% Performance-Based Awards shall not exceed 13,740,285 as of November 28, 2023.

Pursuant to the Company's stock option plan, the board of directors may grant to directors, officers and consultants incentive stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of the grant.

Under the stock option plan, options are required to have an exercise price not less than the closing market price of the Company's common shares prevailing on the day that the option is granted less any applicable discount permitted by the policies of the TSX-V.

Options are granted for a maximum term of five years and vest on the date of the grant unless vesting terms are prescribed by regulatory policy or otherwise determined by the Company's Board of Directors.

There were no stock options granted during the nine months ended October 31, 2024

There were no Performance-Based Awards granted during the nine months ended October 31, 2024 and during the year ended January 31, 2024.

**10. Share Capital (cont'd)**

**Stock Options:** (cont'd)

During the year ended January 31, 2024:

On September 27, 2023, the Company granted 500,000 stock options to a consultant of the Company exercisable for a period of five years at \$0.45 per share. The stock options vest at the date of grant. The fair value of the stock option of \$25,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.11; Risk-free interest rate of 4.33%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 91.77%.

A summary of stock option activity for the nine months ended October 31, 2024 and for the year ended January 31, 2024 is as follows:

	October 31, 2024		January 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	4,650,000	\$ 1.07	4,250,000	\$ 1.17
Granted	-	-	500,000	0.45
Forfeited	(1,200,000)	1.50	(100,000)	2.30
Options outstanding, end of period	3,450,000	\$ 0.92	4,650,000	\$ 1.07

At October 31, 2024, the weighted average remaining contractual life of the outstanding options is 1.77 years (January 31, 2024 – 1.99 years).

At October 31, 2024, there were 3,450,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of options outstanding	Exercise Price	Expiry Date
2,850,000	\$1.00	March 8, 2026
100,000	\$1.00	September 7, 2027
500,000	\$0.45	September 27, 2028
3,450,000		

**10. Share Capital (cont'd)**

***Share Purchase Warrants***

A summary of share purchase warrant activity for the nine months ended October 31, 2024 and for the year ended January 31, 2024 is as follows:

	October 31, 2024		January 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	8,745,883	\$ 0.48	10,440,216	\$ 0.52
Expired	(295,255)	0.43	(1,694,333)	0.80
Warrants outstanding, end of period	8,450,628	\$ 0.48	8,745,883	\$ 0.48

At October 31, 2024, the weighted average remaining contractual life of the outstanding warrants is 0.97 years (January 31, 2024 – 1.35 years).

At October 31, 2024, there were 8,450,628 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants	Exercise Price	Expiry Date
Outstanding		
2,664,472	\$0.55	July 22, 2025
181,250	\$0.55	September 16, 2025
400,000	\$0.40	December 2, 2025
4,418,333	\$0.45	December 2, 2025
578,200	\$0.45	December 2, 2025
200,333	\$0.45	December 23, 2025
8,040	\$0.45	December 23, 2025
<u>8,450,628</u>		

On July 17, 2024, the Company extended the expiry date from July 22, 2024 for 2,664,472 warrants and from September 16, 2024 for 181,250 warrants to July 22, 2025 and September 16, 2024 respectively.

**11. Related Party Transactions and Balances**

The Company considers its Board of Directors to be key management personnel. The Company incurred the following key management compensation charges during the nine months ended October 31, 2024 and 2023:

	For the nine months ended October 31,	
	2024	2023
Exploration and evaluation costs	\$ 4,684	\$ 88,813
Management fees	216,000	216,000
	<u>\$ 220,684</u>	<u>\$ 304,813</u>

**11. Related Party Transactions and Balances (cont'd)**

At October 31, 2024, accounts payable and accrued liabilities included \$399,938 (January 31, 2024 – \$193,316) due to directors of the Company and to a company with a director in common with the Company for advances and services provided. Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

**12. Financial Instruments and Risk Management**

At October 31, 2024, the Company's financial instruments consist of cash, and accounts payable.

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, counterparty 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 the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

***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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing activities and its holdings of cash.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. See Note 2.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at October 31, 2024:

	<b>Within one year</b>	<b>Between one and five years</b>	<b>More than five years</b>
Accounts payable and accrued liabilities	\$ 2,409,273	\$ -	\$ -

***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

**12. Financial Instruments and Risk Management (cont'd)**

***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currencies. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The Company's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican pesos while its functional currency is the Canadian dollar.

The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities that are denominated in Mexican pesos:

	October 31, 2024	January 31, 2024
Cash	\$ 78	\$ 3,129
Accounts payable and accrued liabilities	(1,069,607)	(944,097)
	\$ (1,069,529)	\$ (940,968)

Based on the above net exposure, at October 31, 2024, a 10% change in the exchange rate of the Mexican peso in relation to the Canadian dollar would impact the Company's net income or loss by approximately \$107,000 (January 31, 2024 – \$94,100).

The Company is also exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian dollar.

The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

	October 31, 2024	January 31, 2024
Cash	\$ 4,703	\$ 4,721

Based on the above net exposure, at October 31, 2024, a 10% change in the exchange rate of the US dollar in relation to the Canadian dollar would impact the Company's net income or loss by approximately \$470 (January 31, 2024 – \$470).

***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's cash is exposed to interest rate risk. The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available.

***Classification of financial instruments***

Financial assets included in the consolidated statements of financial position are as follows:

	October 31, 2024	January 31, 2024
Fair value through profit or loss:		
Cash	\$ 16,000	\$ 122,106

**12. Financial Instruments and Risk Management (cont'd)**

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

**Classification of financial instruments**

	October 31, 2024	January 31, 2024
Amortized cost:		
Accounts payable and accrued liabilities	\$ 2,409,273	\$ 1,952,587

**Fair values**

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial instruments measured at fair value on a recurring basis at October 31, 2024 and January 31, 2024:

	October 31, 2024		
	Level 1	Level 2	Level 3
Cash	\$ 16,000	\$ -	\$ -

  

	January 31, 2024		
	Level 1	Level 2	Level 3
Cash	\$ 122,106	\$ -	\$ -

**13. Segmented Information**

**Operating segment**

The Company operates in a single reportable operating segment which is the acquisition, exploration and evaluation of mineral properties.

**Geographic segments**

The Company's non-current assets at October 31, 2024 and January 31, 2024 are in the following countries:

	October 31, 2024		
	Canada	Mexico	Total
Equipment	\$ 59,720	\$ 2,488	\$ 62,208
Reclamation deposits	195,635	-	195,635
Exploration and evaluation assets	44,506,885	-	44,506,885
	\$ 44,762,240	\$ 2,488	\$ 44,764,728

**13. Segmented Information (cont'd)**

***Geographic segments*** (cont'd)

	<b>January 31, 2024</b>		
	Canada	Mexico	Total
Equipment	\$ 70,855	\$ 2,926	\$ 73,781
Reclamation deposits	195,635	-	195,635
Exploration and evaluation assets	44,438,057	-	44,438,057
	<b>\$ 44,704,547</b>	<b>\$ 2,926</b>	<b>\$ 44,707,473</b>

**14. Capital Management**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. To facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure to it to effectively support the Company's objectives. To pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to explore its mineral properties.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital is comprised of shareholders' equity. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes in the Company's approach to capital management during the nine months ended October 31, 2024.