

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**

**Financial Statements**

**For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars)

## Independent Auditor's Report

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To the Shareholders of Arya Resources Ltd.:

### Opinion

We have audited the financial statements of Arya Resources Ltd. (the "Company"), which comprise the statements of financial position as at April 30, 2024 and April 30, 2023, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024 and April 30, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has, incurred a net loss during the year ended April 30, 2024 and, as of that date, the Company had a working capital deficiency and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

Toronto, Ontario  
August 28, 2024

*MNP* **LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**  
**Statements of Financial Position**  
(Expressed in Canadian dollars)

	Note	April 30, 2024	April 30, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		1,416	631,778
Goods and services tax receivable		41,114	7,666
Prepaid expenses and deposits		2,665	9,873
		<b>45,195</b>	649,317
Exploration and evaluation assets	6	72,300	48,800
<b>Total assets</b>		<b>117,495</b>	698,117
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	192,258	147,333
Flow-through liability	7	-	66,000
<b>Total liabilities</b>		<b>192,258</b>	213,333
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	8(b)	1,678,839	1,655,339
Reserves		439,896	368,377
Deficit		(2,193,498)	(1,538,932)
<b>Total shareholders' equity (deficiency)</b>		<b>(74,763)</b>	484,784
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>117,495</b>	698,117

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Rasool Mohammed"

Director

/s/ "Andreas Jacob"

Director

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

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**  
**Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended April 30,	
		2024	2023
		\$	\$
<b>Operating expenses</b>			
Consulting fees	9	22,800	4,000
Exploration costs	6	321,432	83,233
Filing fees		6,203	10,794
General and administrative	9	41,375	56,792
Management fees	9	147,571	52,829
Professional fees	9	109,666	139,165
Share-based payments	9	71,519	235,549
		<b>720,566</b>	<b>582,362</b>
<b>Other income (expense)</b>			
Amortization of flow-through liability	7	66,000	-
Listing expense	5	-	(684,655)
<b>Net loss and comprehensive loss for the year</b>		<b>(654,566)</b>	<b>(1,267,017)</b>
<b>Net loss per share:</b>			
Basic and diluted		<b>(0.03)</b>	<b>(0.05)<sup>(1)</sup></b>
<b>Weighted average number of common shares:</b>			
Basic and diluted		<b>25,546,334</b>	<b>25,223,157<sup>(1)</sup></b>

(1) The basic and diluted weighted average number of common shares is from the Arrangement date (see Note 1). \$1,253,924 of the \$1,267,017 net loss for the year ended April 30, 2023 related to the period post Arrangement.

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

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**  
**Statements of Cash Flows**  
(Expressed in Canadian dollars)

	Years ended April 30,	
	2024	2023
	\$	\$
<b>Operating activities:</b>		
Net loss for the year	<b>(654,566)</b>	(1,267,017)
Adjustments for:		
Share-based payments	<b>71,519</b>	235,549
Amortization of flow-through liability	<b>(66,000)</b>	-
Listing expense	-	684,655
Net change in non-cash working capital items:		
Goods and services tax receivable	<b>(33,448)</b>	(7,666)
Prepaid expenses and deposits	<b>7,208</b>	(4,873)
Accounts payable and accrued liabilities	<b>44,925</b>	3,567
Working capital adjustment related to the Arrangement	-	(97,500)
<b>Cash used in operating activities</b>	<b>(630,362)</b>	(453,285)
<b>Investing activities</b>		
Cash received from the Arrangement	-	1,901
Transaction costs incurred as part of the Arrangement	-	(144,223)
Wedge Lake Gold Property option payments	-	(20,000)
<b>Cash used in investing activities</b>	-	(162,322)
<b>Financing activities:</b>		
Investment by parent through the Arrangement date	-	37,985
Proceeds from flow-through unit and non flow-through share financings	-	760,000
<b>Cash provided by financing activities</b>	-	797,985
Change in cash	<b>(630,362)</b>	182,378
Cash, beginning of year	<b>631,778</b>	449,400
<b>Cash, end of year</b>	<b>1,416</b>	631,778
<b>Supplemental cash flow information:</b>		
Issuance of shares on property option payments	<b>23,500</b>	13,800

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

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)****Statements of Changes in Equity**

(Expressed in Canadian dollars, except number of shares)

	<b>Common shares</b>	<b>Share capital</b>	<b>Net parent investment (Note 1)</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total equity (deficiency)</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, April 30, 2022	-	-	394,265	-	-	394,265
Investment by parent in the year	-	-	37,985	-	-	37,985
Recognition of Arrangement (Note 5)	15,100,000	705,007	(419,157)	-	(285,008)	842
Consideration shares issued in the Arrangement (Note 5)	4,079,995	375,360	-	-	-	375,360
Shares issued in non flow-through unit financing	4,080,000	377,172	-	132,828	-	510,000
Shares issued in flow-through unit financing	2,000,000	184,000	-	-	-	184,000
Issuance of shares on property option payment (Note 6(a))	150,000	13,800	-	-	-	13,800
Share-based payments	-	-	-	235,549	-	235,549
Net loss for the year	-	-	(13,093)	-	(1,253,924)	(1,267,017)
Balance, April 30, 2023	25,409,995	1,655,339	-	368,377	(1,538,932)	484,784
Issuance of shares on property option payments (Note 6(a) and 6(c))	200,000	23,500	-	-	-	23,500
Share-based payments	-	-	-	71,519	-	71,519
Net loss for the year	-	-	-	-	(654,566)	(654,566)
<b>Balance, April 30, 2024</b>	<b>25,609,995</b>	<b>1,678,839</b>	<b>-</b>	<b>439,896</b>	<b>(2,193,498)</b>	<b>(74,763)</b>

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

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)**

**Notes to the Financial Statements**

**For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars, except where noted)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Arya Resources Ltd. (formerly Rebel Capital 2.0 Corp.) (the "Company" or "Arya") was incorporated under the laws of the Province of British Columbia on October 19, 2017 and changed its name from Rebel Capital 2.0 Corp. to Arya Resources Ltd. on December 15, 2022. The Company is an exploration stage company focused on the acquisition, exploration and development of mineral property interests in Saskatchewan, Canada. The Company's registered and records office is 301-850 West Georgia Street, Vancouver, British Columbia, V6C 3J1. The Company's common shares are traded on the TSX Venture Exchange (the "TSX-V") under the symbol RBZ-P.

The Company has not determined if its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

As at April 30, 2024, the Company had a working capital deficit of \$147,063 (April 30, 2023 - working capital surplus of \$435,984) an accumulated deficit of \$2,193,498 (April 30, 2023 - \$1,538,932) and has not generated revenue to date. The Company's operations to date have been funded through the issuance of equity. These factors represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These audited financial statements for the years ended April 30, 2024 and 2023 (the "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 these financial statements.

**Arrangement**

On December 16, 2022 (the "Arrangement date"), Arya and the carve-out entity of Wedge Lake (the "Carve-out Entity") finalized a reverse takeover transaction whereby the former owners of the Carve-out Entity received 15,100,000 common shares of Arya for their 100% interest in the Carve-out Entity (the "Arrangement"). The Carve-out Entity represents the operational efforts towards the Wedge Lake Gold Property in accordance with an existing option agreement with North-Sask Ventures Ltd. (Note 6(a)). The 15,100,000 common shares received by the former owners of the Carve-out Entity comprised 79% of the issued and outstanding common shares of Arya on the date of the Arrangement, and the management of the Carve-out Entity continued as management of Arya. The Arrangement constitutes a "qualifying transaction" under securities law. Pursuant to the Arrangement, Arya became the owner of the Carve-out Entity, but the change in control of Arya by the former owners of the Carve-out Entity, and related reverse takeover accounting guidance under International Financial Reporting Standards ("IFRS Accounting Standards") - see Note 5, resulted in the Carve-out Entity continuing as the ongoing reporting entity, combining Arya results into the Carve-out Entity from the Arrangement date, with comparative financial information only of the Carve-out Entity. The equity component of the Carve-out Entity includes advances from the parent and net losses incurred and is referred to as "net parent investment". On recognition of the Arrangement the net parent investment was allocated to share capital and deficit, as applicable (Note 5).

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These audited financial statements for the years ended April 30, 2024 and 2023, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

These financial statements were approved by the Board of Directors and authorized for issue on August 28, 2024.

**b) Basis of presentation**

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards, for each type of asset, liability, income and expense as set out in the material accounting policies below.

## **2. BASIS OF PREPARATION (continued)**

### **c) Functional and presentational currency**

These financial statements are presented in Canadian dollars. The functional currency is the currency of the primary economic environment in which an entity operates.

## **3. MATERIAL ACCOUNTING POLICIES**

### **a) Cash**

Cash is composed of cash on hand and deposits held at financial institutions.

### **b) Financial instruments**

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

The Company's financial assets comprise of cash and deposits which are classified as and measured at amortized cost.

The Company's financial liabilities comprise of accounts payable and accrued liabilities which is classified as and measured at amortized cost.

### **c) Exploration and evaluation assets**

The Company has adopted the policy of capitalizing initial acquisition costs relating to tenements and expensing all exploration and evaluation expenditures in relation to its mineral leases as incurred. When the Board of Directors decide to progress the development in an area of interest, all further expenditures incurred relating to the area will be capitalized. Projects are advanced to development status and classified as development assets when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditures are carried forward up to commencement of production at which time they are amortized over the life of the economically recoverable reserve. In the event that a project is abandoned, the capitalized costs related to that project are derecognized. Any loss arising from the derecognition of the capitalized costs is included in the statement of loss and comprehensive loss when the capitalized costs are derecognized.

### **d) Impairment**

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

### **e) Share capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and warrants are classified as equity instruments.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance. Upon exercise of warrants or stock options, the associated fair value is reallocated from reserves to share capital along with the proceeds from exercise.

#### Measurement of units

The Company allocates the proceeds from the issuance of units between common shares and warrants on a pro-rata basis based on the relative fair values at the date of issuance. The fair value of the common shares is based on the market closing price on the date the units are issued and the value of the share purchase warrants is determined using the Black-Scholes option pricing model at the date of issuance. Any value attributed to the warrants is recorded to reserves.

#### **f) Flow-through shares**

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in the fair value per common share with no tax attributes and the price of a flow-through share, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

#### **g) Share-based payments**

The Company grants share-based payments to directors, officers, employees and service providers. Share-based payments for employees and others providing similar services are determined based on the grant date fair value. Share-based payments are measured using the fair value of the goods and services received, unless the fair value cannot be reliably estimated, in which case they are measured using the fair value of the equity issued. Share-based payments related to the acquisition of mineral property interests are capitalized.

The Company recognizes share-based payments expense for all stock options awarded based on the fair value of the stock options determined at the date of grant. The fair value of stock options is determined using the Black-Scholes option pricing model and expensed over the vesting periods with a corresponding increase to reserves.

#### **h) Basic and diluted loss per share**

Basic earnings or loss per share is computed by dividing net earnings or loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings or loss per share is calculated assuming that outstanding share purchase warrants and options, with an average market price that exceeds the average exercise prices of the warrants or options for the reporting period, are exercised, and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the reporting period. Warrants and options were excluded from diluted loss per share for the periods presented as their effect is anti-dilutive.

#### **i) Related party transactions**

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

#### **j) Income taxes**

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax assets and liabilities and the related deferred tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in loss in period that substantive enactment occurs. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **k) New accounting standards and interpretations adopted**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

##### Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

##### Definition of accounting estimates - amendments to IAS 8

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

##### Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

#### **a) Significant accounting judgements**

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### Going concern

In assessing its ability to continue as a going concern for the next twelve months, the Company estimates future cash outflows based off prevailing market prices for goods and services, foreign exchange rates, and number of days to complete field programs with weather constraints.

##### Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining 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 may change if new information becomes available.

#### **4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)**

If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is recognized in the statement of loss and comprehensive loss in the year the new information becomes available.

##### Acquisition accounting

The Company accounted for the Arrangement as a reverse takeover transaction. Significant judgement was required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Arya was not considered a business under IFRS 3 *Business Combinations* ("IFRS 3") as Arya did not have inputs and substantive processes that can collectively contribute to the creation of outputs prior to the Arrangement.

##### Control

At the time of Arrangement, the legal parent assesses whether it has control over the acquiree. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Where control exists, the Company consolidates the results of the acquired entity. In the assessing the Arrangement, it was determined that control resides with the Carve-out Entity as the former interest holders of the Carve-out Entity became the majority shareholders of the combined entity, and management of the Carve-out Entity continued control of Arya.

#### **b) Key sources of estimation uncertainty**

Significant assumptions about the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year are as follows:

##### Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the stock options are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

**ARYA RESOURCES LTD. (formerly Rebel Capital 2.0 Corp.)****Notes to the Financial Statements****For the years ended April 30, 2024 and 2023**

(Expressed in Canadian dollars, except where noted)

**5. REVERSE TAKEOVER TRANSACTION**

On the Arrangement date, Arya was not considered a business under IFRS 3, as Arya did not have inputs and substantive processes that could collectively contribute to the creation of outputs. As a result, the Arrangement was considered to be within the scope of IFRS 2 *Share-Based Payments* and for accounting purposes (considering the change of control - Note 1), the Arrangement was accounted for as a reverse takeover transaction ("RTO"), with the Carve-out Entity identified as the accounting acquirer, and Arya identified as the accounting acquiree. These financial statements are issued under the legal parent, Arya Resources Ltd., but are considered to be a continuation of the financial results of the Carve-out Entity.

At the date of the Arrangement, the RTO was recorded as follows:

	\$
<b>Fair value of consideration shares issued</b>	<b>375,360</b>
<b>Net identifiable liabilities assumed</b>	
Cash	1,901
Accounts payable and accrued liabilities	(131,373)
Promissory notes payable	(35,600)
	<u>(165,072)</u>
Fair value of consideration and net liabilities assumed	540,432
Other transactions costs	144,223
<b>Listing expense</b>	<b>684,655</b>

The consideration shares comprise of 4,079,995 common shares (the "Consideration Shares") maintained by the original shareholders of the Company as consideration for its public listing with a fair value of \$375,360.

As part of the Arrangement, \$400,000 was to be transferred to Arya net of the promissory notes of \$35,600 previously outstanding. Of the remaining amount, \$112,000 was retained by the former shareholders of the Carve-out Entity to cover transaction costs, in addition to \$32,223 legal, accounting, and filing fees incurred by the Company related to the RTO. These amounts comprise the other transaction costs noted above and have been included in listing expense in the statements of loss and comprehensive loss.

**6. EXPLORATION AND EVALUATION ASSETS**

A summary of the Company's exploration and evaluation assets is as follows:

	\$
Balance, April 30, 2022	15,000
Cash option payments	20,000
Option payment in shares	13,800
Balance, April 30, 2023	48,800
Option payment in shares	23,500
<b>Balance, April 30, 2024</b>	<b>72,300</b>

A summary of the Company's exploration and evaluation expenditures for the year ended April 30, 2024 is as follows:

	<b>Dunlop Deposit</b>
	\$
Claims staking	929
Drilling	320,503
	<u><b>321,432</b></u>

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**6. EXPLORATION AND EVALUATION ASSETS (continued)**

A summary of the Company's exploration and evaluation expenditures for the year ended April 30, 2023 is as follows:

	Wedge Lake Gold Property	Dunlop Deposit	Other Exploration Properties	Total
	\$	\$	\$	\$
Permitting	3,608	-	-	3,608
Claims staking	-	5,000	34,625	39,625
Haultain Lake payment	-	-	40,000	40,000
	<b>3,608</b>	<b>5,000</b>	<b>74,625</b>	<b>83,233</b>

**a) Wedge Lake Gold Property**

As a result of the Arrangement described in Note 1, the Company has the option (the "Option") to acquire a 100% interest in the "Wedge Lake Gold Property" from the optionor. Under the terms of the Option the Company is committed to the following:

Cash payments to the optionor

- \$5,000 on November 10, 2020 (paid);
- \$10,000 within 10 business days of December 16, 2022 (paid);
- \$10,000 on or before December 16, 2023 (paid);
- \$10,000 on or before December 16, 2024 (paid);
- \$20,000 on or before December 16, 2025;
- \$20,000 on or before December 16, 2026; and
- \$30,000 on or before December 16, 2027.

Share consideration to the optionor

- 150,000 common shares within 10 business days of December 16, 2022 (issued, Note 8(c));
- 100,000 common shares on or before December 16, 2023 (issued, Note 8(c));
- 100,000 common shares on or before December 16, 2024;
- 150,000 common shares on or before December 16, 2025;
- 200,000 common shares on or before December 16, 2026; and
- 300,000 common shares on or before December 16, 2027.

Expenditures on the Wedge Lake Gold Property

- \$100,000 on or before November 10, 2021 (met);
- an additional \$100,000 on or before December 16, 2024;
- an additional \$200,000 on or before December 16, 2025;
- an additional \$300,000 on or before December 16, 2026; and
- an additional \$300,000 on or before December 16, 2027.

The optionor retained a 2.5% net smelter returns royalty ("NSR"), of which 1.0% can be purchased by the Company at any time up until certain milestones are met for \$1,000,000.

## **6. EXPLORATION AND EVALUATION ASSETS (continued)**

Additionally, the Company will prepare a report under National Instruments 43-101 *Standard of Disclosure for Mineral Projects* (the "Wedge Lake Report") whereby the Company is subject to the following contingent issuances of common shares:

- if the Wedge Lake Report confirms the existence of inferred mineral resource estimate grading at least 4 grams/ton of gold ("Au") for at least 80,000 contained ounces of Au on the Wedge Lake Gold Property, the Company will issue the optionor 250,000 common shares.
- if the Wedge Lake Report confirms the existence of indicated mineral resource estimate grading at least 4 grams/ton Au, aggregating at least 80,000 ounces of Au on the Wedge Lake Gold Property, the Company will issue the optionor an additional 250,000 common shares.
- if the Wedge Lake Report confirms the existence of combined inferred mineral resources, indicated mineral resources and measured mineral resources estimate grading at least 4 grams/ton Au aggregating an initial 500,000 ounces of Au on the Wedge Lake Gold Property, the Company will issue the optionor an additional 200,000 common shares.

Furthermore, should the Company commission a pre-feasibility study with respect to the Wedge Lake Gold Property, the Company will issue the optionor an additional 200,000 common shares. As of April 30, 2024, the Company had not yet commissioned a pre-feasibility study with respect to the Wedge Lake Gold Property.

### **b) Haultain Lake Property**

On February 27, 2023, the Company acquired a 100% interest in the Haultain Lake Property by making a \$40,000 cash payment under a definitive agreement to 1271332 B.C. Ltd., a related party to the Company by virtue of common control. During the year ended April 30, 2023, the Company made a decision to abandon the exploration of the property. As a result, the payment of exploration cost was recognized in profit or loss under exploration costs.

### **c) Dunlop Deposit**

On February 28, 2023, the Company entered into a definitive agreement to acquire the Dunlop Copper Nickel Deposit (the "Dunlop Deposit") located 25 kilometers north of La Ronge, Saskatchewan Canada. Pursuant to the agreement, the Company can earn a 100% interest in the Dunlop Deposit claims by:

#### Cash payments to the optionor

- \$25,000 upon completion of a report under National Instruments 43-101, *Standard of Disclosure for Mineral Projects* (the "Dunlop Deposit Report"); and
- \$25,000 upon completion of the Dunlop Deposit Report indicating a mineral resource on the Dunlop Deposit.

#### Share consideration to the optionor

- 100,000 common shares upon TSX-V approval of the acquisition of the Dunlop Deposit (issued, Note 8(c));
- 500,000 common shares upon completion of the Dunlop Deposit Report; and
- 1,000,000 common shares upon completion of the Dunlop Deposit Report indicating a mineral resource on the Dunlop Deposit.

#### Expenditures on Dunlop Deposit

- \$75,000 on or before December 19, 2023 (met);
- \$50,000 on or before April 25, 2024 (met); and
- \$125,000 on or before April 25, 2025.

The optionor retained a 3.0% NSR on the Dunlop Deposit claims, of which 2.5% may be purchased by the Company for a cash payment of \$2,000,000.

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**7. FLOW-THROUGH LIABILITY**

On December 16, 2022, the Company issued 2,000,000 flow-through shares pursuant to closing its \$0.125 flow-through share financing for gross proceeds of \$250,000 (Note 8(c)). In connection with the raise, the Company recorded a flow-through liability of \$66,000 representing the difference between fair value of the common shares and the flow-through share price at the date of issuance.

During the year ended April 30, 2024, the Company spent \$250,000 (2023 - \$nil) in qualifying expenditures related to the flow-through liability. As a result, during the year ended April 30, 2024, the Company recognized amortization expense in connection with the flow-through liability of \$66,000 (2023 - \$nil).

A summary of the Company's flow-through liability and remaining eligible expenditure obligation movement is as follows:

	<b>Flow-through funding and eligible expenditures</b>	<b>Flow-through liability</b>
	\$	\$
Balance, April 30, 2022	-	-
Flow-through funds raised	250,000	66,000
Balance, April 30, 2023	250,000	66,000
Flow-through expenditures incurred, renounced, and amortization of flow-through premium liability	(250,000)	(66,000)
<b>Balance, April 30, 2024</b>	<b>-</b>	<b>-</b>

**8. SHARE CAPITAL AND RESERVES****a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

**b) Issued share capital**

As at April 30, 2024, 25,609,995 common shares were issued and outstanding (April 30, 2023 - 25,409,995).

**c) Share issuances**

During the year ended April 30, 2024, the Company had the following share transactions:

- On May 1, 2023, the Company received TSX-V approval on the acquisition of the Dunlop Deposit (Note 6(c)) and issued 100,000 common shares at a price of \$0.155 per common share for a total fair value \$15,500 to the Dunlop Deposit optionor.
- On December 16, 2023, the Company issued 100,000 common shares in connection with the Option (Note 6(a)) at a price of \$0.08 per common share for a total fair value of \$8,000 to the Wedge Lake optionor.

During the year ended April 30, 2023, the Company had the following share transactions:

On December 16, 2022, the Company had the following share transactions:

- Pursuant to the Arrangement the Company maintained 4,079,995 Consideration shares. The fair value of the Consideration shares was determined to be \$0.092 per share based on the non flow-through unit financing completed concurrently with the Arrangement (see below). Additionally, the Company issued 15,100,000 common shares, recognized at the historical cost base of the net parent investment in the Carve-out Entity, adjusted for any assets or liabilities assumed by the former owner of Wedge Lake at the date of the Arrangement resulting in \$705,007 and \$285,008 being allocated to share capital and deficit, respectively.
- The Company issued 4,080,000 non flow-through units pursuant to closing its \$0.125 non flow-through unit financing for gross proceeds of \$510,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant has a two-year life and has an exercise price of \$0.20 per common share. The fair value attributed to the warrants was \$132,828.

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**8. SHARE CAPITAL AND RESERVES (continued)**

- The Company issued 2,000,000 flow-through shares pursuant to closing its \$0.125 flow-through share financing for gross proceeds of \$250,000. In connection with the raise the Company recorded a flow-through liability of \$66,000 representing the difference between the fair value of a common share and the price of a flow-through share at the date of issuance. The fair value per common share was determined to be \$0.092 based on the non flow-through unit financing closed concurrently.
- The Company issued 150,000 common shares with a fair value of \$0.092 per share for gross proceeds of \$13,800 in connection with the Wedge Lake Option agreement (see Note 6(a)). The fair value was determined based on the non flow-through unit financing completed concurrently on the date of issuance to the Wedge Lake optionor.

**d) Share purchase warrants**

As at April 30, 2024, the Company had 4,080,000 warrants outstanding and exercisable at \$0.20 per common share expiring on December 16, 2024 (April 30, 2023 - 4,080,000). The remaining contractual life of the warrants outstanding is 0.63 years.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model to determine the fair value of the share purchase warrants granted on December 16, 2023 is as follows:

Share price	\$0.09
Exercise price	\$0.20
Expected life	2 years
Expected volatility	100.00%
Risk-free interest rate	3.66%
Expected annual dividend yield	0.00%

**e) Escrow**

Pursuant to the terms of the TSX-V, the Company's shares prior to the RTO, and a portion of shares issued pursuant to the Arrangement, are subject to certain escrow requirements. These shares are released semi-annually starting December 2022 through December 2025. During the year ended April 30, 2024, 3,483,390 shares were released from escrow, respectively (2023 - nil). As at April 30, 2024, the Company had 5,456,781 common shares held in escrow (April 30, 2023 - 8,940,171).

**f) Stock options**

The Company established a stock option plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors, and consultants of the Company and its affiliates. The maximum number of shares available under the Plan is limited to 10% of the issued common shares of the Company and are exercisable within a maximum of five years. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

A summary of the Company's stock option activity is as follows:

	<b>Stock options</b>	<b>Weighted average exercise price</b>
	<b>#</b>	<b>\$</b>
Balance, April 30, 2022	-	-
Granted	1,500,000	0.30
Balance, April 30, 2023	1,500,000	0.30
Granted	1,000,000	0.10
<b>Balance, April 30, 2024</b>	<b>2,500,000</b>	<b>0.22</b>

On March 1, 2024, the Company granted 1,000,000 stock options to officers and directors of the Company. The stock options have an exercise price of \$0.10, vest immediately and expire on March 1, 2029, with a total fair value of \$71,520.

On March 24, 2023, the Company granted 1,500,000 stock options to officers and directors of the Company. The stock options have an exercise price of \$0.30, vest immediately and expire on March 24, 2028, with a total fair value of \$235,549.

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**8. SHARE CAPITAL AND RESERVES (continued)**

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model to determine the fair value of the stock options granted is as follows:

	March 1, 2024	March 24, 2023
Share price	\$0.10	\$0.22
Exercise price	\$0.10	\$0.30
Expected life	5 years	5 years
Expected volatility	100.00%	100.00%
Risk-free interest rate	3.59%	2.86%
Expected annual dividend yield	0.00%	0.00%

As at April 30, 2024, the Company had 2,500,000 stock options outstanding and exercisable (April 30, 2023 - 1,500,000). The remaining contractual life of the stock options outstanding is 2.82 years.

**9. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions with its key management personnel for the years ended April 30, 2024 and 2023 is as follows:

	2024	2023
	\$	\$
Consulting fees	22,800	4,000
General and administrative	300	-
Management fees	147,571	52,829
Professional fees	42,761	62,217
Share-based payments	71,519	235,549
	<b>284,951</b>	<b>354,595</b>

As at April 30, 2024, the Company had \$84,146 (April 30, 2023 - \$66,470) due to related parties included in accounts payable and accrued liabilities balance. The amount due to related parties is payable on demand and is unsecured and non-interest bearing.

**10. INCOME TAXES**

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended April 30, 2024 and 2023, is as follows:

	2024	2023
	\$	\$
Net loss for the year	(654,566)	(1,267,017)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(176,730)	(342,090)
Share based compensation, non-deductible expenditures and other	1,530	62,570
Listing expense	-	145,920
Impact of flow through shares	66,150	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	36,330	-
Change in unrecognized deferred tax assets	72,720	133,600
Income tax expense	-	-

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**11. INCOME TAXES (continued)**

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

Expiring	April 30, 2024	Expiry date range	April 30, 2023	Expiry date range
	\$		\$	
Temporary differences:				
Share issuance costs and financing fees	104,630	2045 to 2049	135,290	2044 to 2048
Non-capital losses available for future periods	544,850	2039 to 2044	276,280	2038 to 2043
Exploration and evaluation assets	268,150	No expiry date	236,720	No expiry date

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at April 30, 2024, the Company's financial instruments consist of cash, deposits, as well as accounts payable and accrued liabilities, all of which are measured at amortized cost.

The carrying value of cash, deposits, as well as accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

**a) Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and deposits. The risk exposure for cash and deposits is limited because the Company places its deposits in institutions of high credit worthiness within Canada.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at April 30, 2024, the Company will need to raise more funding to discharge its financial liabilities as they become due.

**11. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest, are in the exploration stage and are not positive cash-flow generating; as such, the Company has relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have not been changes to the Company's capital management policy during the year ended April 30, 2024.