

# **ARYA RESOURCES LTD.**

**Condensed Interim Financial Statements**

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

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Financial Statements for the Three and Six months ended October 31, 2024 and 2023**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Arya Resources Ltd. for the three and six months ended October 31, 2024 and 2023, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The Company's independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim financial statements.

December 16, 2024



**ARYA RESOURCES LTD.****Condensed Interim Statements of Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended		Six months ended	
	Note	2024	October 31, 2023	2024	October 31, 2023
		\$	\$	\$	\$
<b>Operating expenses</b>					
Consulting fees	9	15,500	1,500	15,500	4,800
Exploration and evaluation expenses	5	21,888	15,050	21,888	15,979
Filing fees		-	250	-	250
General and administrative		9,489	7,484	18,204	13,858
Management fees	9	36,000	38,286	72,000	75,429
Professional fees	9	46,916	35,179	62,204	47,967
		129,793	97,749	189,796	158,283
<b>Other income</b>					
Amortization of flow-through liability		-	4,218	-	4,218
Government grant income	8	-	-	67,308	-
<b>Net loss for the period</b>		<b>(129,793)</b>	<b>(93,531)</b>	<b>(122,488)</b>	<b>(154,065)</b>
<b>Net loss per share:</b>					
Basic and diluted		(0.01)	(0.00)	(0.00)	(0.01)
<b>Weighted average number of common shares:</b>					
Basic and diluted		25,609,995	25,509,999	25,609,995	25,509,456

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

**ARYA RESOURCES LTD.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	2024	October 31, 2023
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(122,488)	(154,065)
Adjustments for:		
Amortization of flow-through liability	-	(4,218)
Proceeds from government grant	67,308	-
Changes in non-cash working capital items:		
Goods and services tax receivable	33,751	(9,863)
Prepaid expenses and deposits	(2,515)	(2,665)
Accounts payable and accrued liabilities	39,707	(52,159)
<b>Cash provided by (used in) operating activities</b>	<b>15,763</b>	<b>(222,970)</b>
Change in cash	15,763	(222,970)
Cash, beginning of period	1,416	631,778
<b>Cash, end of period</b>	<b>17,179</b>	<b>408,808</b>
<b>Supplemental cash flow information:</b>		
Issuance of shares on property option payments	-	15,500

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

**ARYA RESOURCES LTD.****Condensed Interim Statements of Changes in Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	<b>Common shares</b>	<b>Share capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total equity (deficiency)</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, April 30, 2023	25,409,995	1,655,339	368,377	(1,538,932)	484,784
Issuance of shares on property option payment (Note 5(b))	100,000	15,500	-	-	15,500
Net loss for the period	-	-	-	(154,065)	(154,065)
Balance, October 31, 2023	25,509,995	1,670,839	368,377	(1,692,997)	346,219
Issuance of shares on property option payment (Note 5(b))	100,000	8,000	-	-	8,000
Share-based payments	-	-	71,519	-	71,519
Net loss for the period	-	-	-	(500,501)	(500,501)
Balance, April 30, 2024	25,609,995	1,678,839	439,896	(2,193,498)	(74,763)
Net loss for the period	-	-	-	(122,488)	(122,488)
<b>Balance, October 31, 2024</b>	<b>25,609,995</b>	<b>1,678,839</b>	<b>439,896</b>	<b>(2,315,986)</b>	<b>(197,251)</b>

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

**ARYA RESOURCES LTD.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended October 31, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars, except where noted)

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

Arya Resources Ltd. (the "Company" or "Arya") was incorporated under the laws of the Province of British Columbia on October 19, 2017. The Company is an exploration stage mining 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 October 31, 2024, the Company had a working capital deficit of \$269,551 (April 30, 2024 - \$147,063) an accumulated deficit of \$2,315,986 (April 30, 2024 - \$2,193,498) 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 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.

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These unaudited condensed interim financial statements for the three and six months ended October 31, 2024 and 2023 (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended April 30, 2024 and 2023 (the "Annual Financial Statements").

These financial statements were approved by the Board of Directors and authorized for issue on December 16, 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.

**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**

The material accounting policies followed in preparing the financial statements are the same as those followed in preparing the Annual Financial Statements. For a complete summary of significant accounting policies, please refer to the Company's Annual Financial Statements except as follows:

#### Government grant

Government grants are recognized by the Company when it meets the conditions for compliance and the grants are to be received. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss of the period in which it becomes receivable.

#### Classification of liabilities as current or non-current - amendments to IAS 1

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

### **5. EXPLORATION AND EVALUATION ASSETS**

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

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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, October 31, 2024 and April 30, 2024</b>	<b>72,300</b>

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

A summary of the Company's exploration and evaluation expenses for the Dunlop Deposit for the three and six months ended October 31, 2024 and 2023 is as follows:

	Three months ended October 31, 2024		Six months ended October 31, 2023	
	2024	2023	2024	2023
Claim staking	\$ -	\$ -	\$ -	\$ 929
Drilling	21,888	15,050	21,888	15,050
	<b>21,888</b>	<b>15,050</b>	<b>21,888</b>	<b>15,979</b>

**a) Wedge Lake Gold Property**

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);
- 100,000 common shares on or before December 16, 2023 (issued, Note 7(c));
- 100,000 common shares on or before December 16, 2024 (issued, Note 12);
- 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 <sup>(1)</sup>;
- 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.

(1) Management is currently negotiating with the optionor to extend the timeline to allow for the approval of the drilling permit by the government.

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.

## **5. 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 October 31, 2024, the Company had not yet commissioned a pre-feasibility study with respect to the Wedge Lake Gold Property.

### **b) 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 7(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 (met).

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.

## **6. 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 October 31, 2024, 25,609,995 common shares were issued and outstanding (April 30, 2024 - 25,609,995).

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

**c) Share issuances**

During the six months ended October 31, 2024, the Company had no share transactions.

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 5(b)) 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 5(a)) at a price of \$0.08 per common share for a total fair value of \$8,000 to the Wedge Lake optionor.

**d) Share purchase warrants**

As at October 31, 2024, the Company had 4,080,000 warrants outstanding and exercisable at \$0.20 per common share which expired unexercised on December 16, 2024 (Note 12) (April 30, 2024 - 4,080,000). The remaining contractual life of the warrants outstanding at October 31, 2024 was 0.13 years.

**e) Escrow**

Pursuant to the terms of the TSX-V, the Company's shares prior to the reverse take-over ("RTO") on December 16, 2022, and a portion of shares issued pursuant to the RTO, are subject to certain escrow requirements. The Company had 8,940,171 shares in escrow which are released semi-annually starting December 2022 through December 2025. During the three and six months ended October 31, 2024, nil and 1,741,696 shares were released from escrow, respectively (2023 - nil and 1,741,695). As at October 31, 2023, the Company had 3,715,085 common shares held in escrow (April 30, 2024 - 5,456,781).

**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>
	#	\$
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, October 31, 2024 and 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 \$71,519.

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.

As at October 31, 2024, the Company had 2,500,000 stock options outstanding and exercisable (April 30, 2024 - 2,500,000). The remaining contractual life of the stock options outstanding is 3.77 years.

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**7. 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:

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

Expected volatility is management's estimate of the Company's stock price volatility over the expected life of options. The Company does not have sufficient historical market data to calculate volatility and has used an estimate based on expected market volatility among similar companies.

A summary of the Company's outstanding and exercisable stock options as at October 31, 2024, is as follows:

<b>Expiry date</b>	<b>Outstanding and exercisable #</b>	<b>Weighted average exercise price \$</b>	<b>Weighted average remaining life Years</b>
March 24, 2028	1,500,000	0.30	3.40
March 1, 2029	1,000,000	0.10	4.33
	<b>2,500,000</b>	<b>0.22</b>	<b>3.77</b>

**8. GOVERNMENT GRANT INCOME**

On June 25, 2024, the Company received a Targeted Mineral Exploration Incentive ("TMEI") from the Ministry of Energy and Resources, Saskatchewan ("the Ministry") in the amount of \$67,308 (2023 - \$nil) which has been recorded as government grant income. The TMEI is a grant provided by the Ministry to support drilling activities by mineral exploration companies that hold a mineral claim and undertake drilling of eligible minerals at any location in Saskatchewan.

**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 is as follows:

	Three months ended October 31,		Six months ended October 31,	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Consulting fees	<b>15,500</b>	1,500	<b>15,500</b>	4,800
General and administrative	-	300	-	300
Management fees	<b>36,000</b>	38,286	<b>72,000</b>	75,429
Professional fees	<b>15,580</b>	12,679	<b>27,368</b>	17,967
	<b>67,080</b>	52,765	<b>114,868</b>	98,496

As at October 31, 2024, the Company had \$183,214 (April 30, 2024 - \$84,146) due to related parties included in accounts payable and accrued liabilities balance. The amount due to related parties is payable on demand, unsecured and non-interest bearing.

## **10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at October 31, 2024, the Company's financial instruments consist of cash, deposits, and accounts payable and accrued liabilities, all of which are classified as and measured at amortized cost.

The carrying value of cash, deposits, and 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 Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash and deposits to be minimal.

### **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 October 31, 2024, the Company will need to raise funding to discharge its financial liabilities as they become due.

### **c) Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company is not exposed to foreign currency risk as at October 31, 2024.

### **d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is not exposed to interest rate risk as at October 31, 2024.

## **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 three and six months ended October 31, 2024.

## **12. SUBSEQUENT EVENTS**

On December 16, 2024, 4,080,000 warrants expired unexercised.

On December 16, 2024, the Company issued 100,000 common shares to the optionor of the Wedge Lake Gold Property in connection with the Option (Note 5(a)).