ARBOR METALS CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JULY 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Arbor Metals Corp. (the "Company") have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

ARBOR METALS CORP.
Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	July 31 2024	October 31 2023
ASSETS		
Current		
Cash and cash equivalents	$ 38,623	$ 4,761,035
Short-term investments (note 3)	6,680,301	-
GST receivable	34,850	10,686
Other receivables	93,381	-
Prepaid expenses	313	6,073
Total current assets	6,847,468	4,777,794
Non-current assets		
Exploration and evaluation properties (note 4)	2,503,118	282,079
Total assets	$ 9,350,586	$ 5,059,873
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 28,178	$ 72,697
Total current liabilities	28,178	72,697
Non-current liabilities		
Flow-through premium liability (note 5)	408,542	513,158
Loans payable (note 6)	-	692,114
Total liabilities	436,720	1,277,969
EQUITY		
Share capital (note 7)	12,594,503	7,505,305
Reserves (note 7)	1,758,626	350,984
Deficit	(5,439,263)	(4,074,385)
Total equity	8,913,866	3,781,904
Total liabilities and equity	$ 9,350,586	$ 5,059,873

Nature and continuance of operations (note 1)

Approved on behalf of the Board

Director *"Alex Klenman"*
Alex Klenman

Director *"Mark Ferguson"*
Mark Ferguson

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

ARBOR METALS CORP.
Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	For the three months ended July 31		For the nine months ended July 31	
	2024	**2023**	**2024**	**2023**
Expenses				
Advisory fees	$ 30,000	$ -	$ 90,000	$ -
Corporate communications	161,000	-	167,570	800
Consulting fees (note 8)	8,250	8,250	114,125	24,750
Interest (note 6)	-	23,158	31	57,122
Office and administration	4,966	125	10,278	984
Professional fees	18,846	30,203	86,053	48,116
Property costs	-	1,500	-	1,500
Share-based compensation	147,382	-	1,347,094	-
Transfer agent and filing fees	4,274	17,564	55,352	58,793
	(374,718)	(80,800)	(1,870,503)	(192,065)
Other items				
Interest income	82,949	-	229,956	-
Other income (note 5)	32,669	-	275,669	-
	115,618	-	505,625	-
Net loss and comprehensive loss	$ (259,100)	$ (80,800)	$ (1,364,878)	$ (192,065)
Basic earnings (loss) per share	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.00)
Weighted average number of common shares outstanding	68,074,427	59,970,075	67,298,932	59,970,075

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

ARBOR METALS CORP.
Consolidated Interim Statements of Cash Flow
(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended July 31	
	2024	**2023**
Cash provided by (used in):		
Operating activities		
Net loss	$ (1,364,878)	$ (192,065)
Item not involving cash:		
Interest expense	31	57,122
Share-based compensation	1,347,094	-
Other income	(275,669)	-
Change in non-cash working capital:		
GST receivable	(24,164)	(2,208)
Other receivables	(93,381)	-
Prepaid expenses	5,760	(4,330)
Accounts payable and accrued liabilities	(44,519)	46,013
Net cash flows used in operating activities	(449,726)	(95,468)
Investing activities		
Purchase of short-term investments	(6,680,301)	-
Mineral property acquisition and exploration costs	(1,336,039)	(155,839)
Net cash flows used in investing activities	(8,016,340)	(155,839)
Financing activities		
Proceeds from private placements	4,007,500	-
Share issue costs	(263,846)	-
Loan advances	-	750,000
Net cash flows provided by financing activities	3,743,654	750,000
Change in cash	(4,722,412)	498,693
Cash and cash equivalents, beginning of the period	4,761,035	33,238
Cash and cash equivalents, end of the period	$ 38,623	$ 531,931
Non-cash transaction:		
Issue of shares for mineral property acquisition	$ 885,000	$ -

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

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ARBOR METALS CORP.
Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance at November 1, 2022	59,570,075	$ 2,898,591	$ 281,746	$ (3,662,782)	$ (482,445)
Net loss	-	-	-	(192,065)	(192,065)
Balance at July 31, 2023	59,570,075	2,898,591	281,746	(3,854,847)	(674,510)
Balance at November 1, 2023	63,579,549	7,505,305	350,984	(4,074,385)	3,781,904
Shares issued to acquire mineral property	1,500,000	885,000	-	-	885,000
Share-based compensation (note 7)	-	-	1,347,094	-	1,347,094
Shares issued in debt settlement (note 6)	512,677	692,145	-	-	692,145
Shares issued in private placements (note 7)	3,069,158	3,820,447	16,000	-	3,836,447
Share issue costs (note 7)		(308,394)	44,548	-	(263,846)
Net loss	-	-	-	(1,364,878)	(1,364,878)
Balance at July 31, 2024	68,661,384	$ 12,594,503	$ 1,758,626	$ (5,439,263)	$ 8,913,866

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Arbor Metals Corp. (the "Company") was incorporated in the Province of British Columbia on May 19, 2011 and is in the business of identifying, acquiring and exploring mineral properties. The Company is currently in the exploration stage of developing its exploration and evaluation properties and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “ABR”.

The address of the Company’s registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These consolidated interim financial statements have been prepared on the assumption that the Company 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.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied upon external financing for its operational expenses. As at July 31, 2024, the Company had an accumulated deficit of $5,439,263 (October 31, 2023 - $4,074,385), which has been funded by the issuance of equity and debt. 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 factors indicate the existence of a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern**.** The Company intends to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company. Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company’s ability to continue as a going concern.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to finance its administrative overhead expenses and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values.

1. NATURE AND CONTINUANCE OF OPERATIONS, continued

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These consolidated interim financial statements were authorized for issue on August 14, 2024 by the Directors of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the year ended October 31, 2023, which have been prepared in accordance with IFRS.

These consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. All amounts are expressed in Canadian dollars unless otherwise stated.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries, Kruger Gold Corp. (“Kruger”), Arbor Metals USA Corp. (Arbor USA), Arbor Gold Royalties Corp. (“Arbor Gold”), Corvette Lake Lithium Corp (“CLL”) and Kemlee Lake Lithium Corp (“KLL”). Kruger, Arbor Gold and CLL are incorporated in the Province of British Columbia, KLL is incorporated in the Province of Ontario, and Arbor USA is incorporated in the State of Nevada, USA. All five subsidiaries are inactive.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated interim financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION, continued

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated interim financial statements:

- the determination that the Company will continue as a going concern for the next year;
- the determination of whether deferred tax assets are recognized on the statement of financial position;
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable; and
- the determination of whether the assets acquired and liabilities assumed in an acquisition constitute a business.

Significant Estimate

- share-based payments are determined using the Black-Scholes pricing model based on the estimated fair value of share-based awards at the date of grant and expensed over the vesting period. This pricing model uses subjective assumptions and changes in these assumptions can significantly affect the fair value estimate.

New accounting standards issued but not yet effective

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's consolidated interim financial statements.

3. SHORT-TERM INVESTMENTS

Short-term investments represent GIC deposits with a Canadian financial institution with maturities of more than 30 days when purchased.

4. EXPLORATION AND EVALUATION PROPERTIES

A summary of the capitalized acquisition and exploration expenditures for the nine months ended July 31, 2024 and the year ended October 31, 2023 and are as follows:

July 31, 2024	Kemlee Lake	Corvette Lake	Jarnet	Total
Acquisition Costs				
Balance, October 31, 2023	$ -	$ -	$ 40,000	$ 40,000
Additions	885,000	445,484	61,599	1,392,083
Acquisition costs, July 31, 2024	885,000	445,484	101,599	1,432,083
Exploration Costs				
Balance, October 31, 2023	-	-	242,079	242,079
Additions	-	-	828,956	828,956
Exploration costs, July 31, 2024	-	-	1,071,035	1,071,035
Balance, July 31 2024	$ 885,000	$ 445,484	$1,172,634	$ 2,503,118

October 31, 2023	Kemlee Lake	Corvette Lake	Jarnet	Total
Acquisition Costs				
Balance, October 31, 2022	$ -	$ -	$ 20,000	$ 20,000
Additions	-	-	20,000	20,000
Acquisition costs, October 31, 2023	-	-	40,000	40,000
Exploration Costs				
Balance, October 31, 2022	-	-	106,240	106,240
Additions	-	-	135,839	135,839
Exploration costs, October 31, 2023	-	-	242,079	242,079
Balance, October 31, 2023	$ -	$ -	$ 282,079	$ 282,079

Kemlee Lake Lithium Project, Ontario, Canada

On June 5, 2024, the Company completed the acquisition of all of the outstanding share capital of Kemlee Lake Lithium Corp. from an arm's length party by issuing 1,500,000 common shares. No finders' fees or commissions were payable by the Company in connection with this acquisition. As a result of this transaction, the Company holds a 100% interest in mineral claims known as the Kemlee Lake Lithium Project ("Kemlee Lake").

KLL does not have any operations, nor does it have any assets or liabilities other than holding the Kemlee Lake Project. Therefore, the Company treated this transaction as an asset acquisition. The purchase price totaling $885,000 was allocated according to the assets acquired.

4. EXPLORATION AND EVALUATION PROPERTIES, continued

Corvette Lake and St. Pierre Lithium Projects, Quebec, Canada

On February 26, 2024, the Company acquired 100% of the voting shares of Corvette Lake Lithium Corp., ("CLL") for a cash payment of $0.50 per share totaling $712,500. CLL holds a 100% interest in the Corvette Lake and St. Pierre lithium projects and had working capital of $267,016 at the time of the acquisition.

Jarnet Lithium Project, Quebec, Canada

On January 26, 2022, the Company signed a property option agreement to acquire a 100% interest in certain mineral claims, comprising 2,430 hectares in the James Bay region of Quebec. The terms of the Purchase Option Agreement are as follows:

(a) cash consideration of $20,000 on signing of the agreement (*paid*);
(b) $20,000 on or before January 26, 2023 (*paid*);
(c) $60,000 on or before January 26, 2024 (*paid*);
(d) $100,000 in exploration expenditures on or before January 26, 2023 (*incurred*);
(e) $100,000 in exploration expenditures on or before January 26, 2024 (*incurred*); and
(f) $100,000 in exploration expenditures on or before January 26, 2025 (*incurred)*.

As the Company has now completed all of the terms of the Purchase Option Agreement, it has acquired a 100% interest and title in the Jarnet Lithium Project claims.

The Company's interest is subject to a 1% NSR payable to the vendor, which may be purchased for $1,000,000.

5. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On November 3, 2023, the Company issued 263,158 flow-through shares at a price of $1.90 per flow-through share for gross proceeds of $500,000. The flow-through shares were issued at a premium of $0.65 per share. As a result, a flow-through premium liability of $171,053 was recorded.

5. FLOW-THROUGH PREMIUM LIABILITY, continued

On October 27, 2023, the Company issued 789,474 flow-through shares at a price of $1.90 per flow-through share for gross proceeds of $1,500,000. The flow-through shares were issued at a premium of $0.65 per share. As a result, a flow-through premium liability of $513,158 was recorded.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and Expenditure requirements	**Flow-through premium liability**
Balance, October 31, 2022	-	-
Flow-through funds raised and premium recorded as liability	$ 1,500,000	$ 513,158
Flow-through expenditures incurred and reduction of liability	-	-
Balance, October 31, 2023	$ 1,500,000	$ 513,158
Flow-through funds raised and premium recorded as liability	500,000	171,053
Flow-through expenditures incurred and reduction of liability	-	(275,669)
Balance, July 31, 2024	**$ 2,000,000**	**$ 408,542**

The reduction in the flow-through share premium liability is recorded in other income upon incurring flow through eligible expenditures. The Company is obligated to incur $2,000,000 of eligible flow through expenditures by December 31, 2024.

For the nine months ended July 31, 2024, flow-through premium income of $275,669 (2023 - $Nil) was recognized as other income relating to the flow-through shares issued.

6. LOANS PAYABLE

On May 12, 2020, the Company entered into a Credit Facility Agreement ("Debt") with an arms' length third party. Pursuant to the Credit Facility, the Company received advances totalling $500,000. The Credit Facility bears interest at a rate of 10% per annum, compounded monthly with a maturity date of May 12, 2022. On May 15, 2022, the Creditor agreed to extend the repayment date of the facility plus accrued interest to May 31, 2024. On July 24, 2023, the Creditor agreed to further extend the repayment date of the facility plus accrued interest to May 31, 2025.

In November 2023 the Company entered into a debt settlement agreement with lenders to settle the outstanding debt of $692,145 owing under the terms of the credit facility agreement. The Company repaid the Debt through the issuance of 512,677 common shares at a deemed price of $1.35 per share.

During the nine months ended July 31, 2024, the Company incurred interest expense of $31 (2023 - $57,122) in connection with the loans payable.

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares without par value

Issued

Shares issued and outstanding at July 31, 2024 are 68,661,384 (October 31, 2023 – 63,579,549).

Nine months ended July 31, 2024

On May 16, 2024, the Company issued 1,500,000 common shares valued at $885,000 to acquire the Kemlee Lake Project (note 4). No finders' fees or commissions were payable by the Company in connection with this acquisition.

On November 23, 2023, the Company completed a private placement by issuing 400,000 units at $1.25 per unit for gross proceeds of $500,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until November 23, 2024. The unit warrants have been valued at $16,000 using the residual method.

On November 17, 2023, the Company completed a private placement by issuing 800,000 units at $1.25 per unit for gross proceeds of $1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until November 17, 2024.

On November 10, 2023, the Company completed a private placement by issuing 800,000 units at $1.25 per unit gross proceeds of $1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until November 10, 2024.

On November 3, 2023, the Company completed a private placement by issuing 806,000 units at $1.25 per unit and 263,158 flow-through common shares at $1.90 per flow-through share for total gross proceeds of $1,507,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until November 3, 2024. All proceeds were allocated to common shares with $Nil value allocated to warrants using the residual method. The flow-through shares were issued at a premium of $0.65 per flow-through share. As a result, a flow-through premium liability of $171,053 was recorded. At July 31, 2024, the Company has spent a total of $Nil in qualifying flow-through expenditures.

Finders' and legal and filing fees incurred in connection with the November 2023 private placements amounted to $263,846 in cash and 177,789 in broker warrants valued at $44,548. The Company determined the fair value of the broker warrants using the Black-Scholes option-pricing model and made the following assumptions:

7. SHARE CAPITAL AND RESERVES, continued

	FY 2024
Expected stock price volatility	71% to 73%
Risk-free interest rate	4.40 to 4.57%
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	$1.17 to $1.54
Forfeiture rate	0%

Year ended October 31, 2023

On October 27, 2023, the Company completed a private placement by issuing 950,000 units at $1.25 per unit and 789,474 flow-through common shares at $1.90 per flow-through share for total gross proceeds of $2,687,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until October 27, 2024. All proceeds were allocated to common shares with $Nil value allocated to warrants using the residual method. The flow-through shares were issued at a premium of $0.65 per flow-through share. As a result, a flow-through premium liability of $513,158 was recorded. At July 31, 2024, the Company has spent a total of $Nil in qualifying flow-through expenditures.

On October 20, 2023, the Company completed a private placement by issuing 710,000 units at $1.50 per unit for gross proceeds of $1,065,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until October 20, 2024. The unit warrants have been valued at $7,200 using the residual method.

On October 13, 2023, the Company completed a private placement by issuing 1,160,000 units at $1.50 per unit for gross proceeds of $1,740,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of $2.00 until October 13, 2024. All proceeds were allocated to common shares with $Nil value allocated to warrants using the residual method.

Finders' and legal fees incurred in connection with the October 2023 private placements amounted to $316,564 in cash and 169,168 in broker warrants valued at $48,864. The Company determined the fair value of the broker warrants using the Black-Scholes option-pricing model and made the following assumptions:

	FY 2023
Expected stock price volatility	66% to 68%
Risk-free interest rate	4.62 to 4.88%
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	$1.40 to $1.84
Forfeiture rate	0%

7. SHARE CAPITAL AND RESERVES, continued

Warrants

Warrant activity for the nine months ended July 31, 2024 and the year ended October 31, 2023 is presented below:

	For the nine months ended July 31, 2024		Year ended October 31, 2023	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	1,579,168	$ 2.00	-	$ -
Issued in private placements	1,403,000	2.00	1,410,000	2.00
Broker warrants	177,789	2.00	169,168	2.00
Outstanding - end of period	3,159,957	$ 2.00	1,579,168	$ 2.00

Details of common share purchase warrants outstanding at July 31, 2024 are as follows:

Number of Warrants	Weighted Average Exercise Price	Expiry date	Remaining Life (years)
620,200	$ 2.00	October 13, 2024	0.20
388,600	$ 2.00	October 20, 2024	0.22
570,368	$ 2.00	October 27, 2024	0.24
460,789	$ 2.00	November 3, 2024	0.26
448,000	$ 2.00	November 10, 2024	0.28
448,000	$ 2.00	November 17, 2024	0.30
224,000	$ 2.00	November 23, 2024	0.32
3,159,957	$ 2.00		0.25

Share-based Payments

Pursuant to a stock option plan (the “Plan”) for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 30 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee or on the final anniversary of the date the option was granted which concludes the option term. Options granted under the plan may not exceed ten years and vest at the discretion of the board of directors and shall not be exercisable at less than the price determined by policy or policies of the stock exchange(s) on which the Company’s common shares are then listed. Notwithstanding the foregoing, options issued to consultants performing investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period. Occasionally, the Company issues stock options to agents which do not fall under the plan.

7. SHARE CAPITAL AND RESERVES, continued

Stock Options

The following table summarizes activity related to stock options for the nine months ended July 31, 2024 and the year ended October 31, 2023:

	For the nine months ended July 31, 2024		Year ended October 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	-	$ -	-	$ -
Granted	3,200,000	0.90	-	-
Outstanding - end of period	3,200,000	$ 0.90	-	$ -

As at July 31, 2024, the following options were outstanding:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Weighted Average Exercise Price	Remaining Life (years)
January 12, 2025	3,200,000	3,200,000	-	$ 0.90	0.70

During the nine months ended July 31, 2024, the Company recorded share-based compensation of $904,948 related to the issuance of stock options. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	FY 2024
Expected stock price volatility	77%
Risk-free interest rate	3.98%
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	$0.90
Forfeiture rate	0%

Restricted Share Units

On October 13, 2023, the Company granted 410,000 restricted share units (“RSUs”) to certain directors, officers and consultants to the Company. The RSUs were granted in accordance with the omnibus incentive plan adopted by the Company, and vest and convert into common shares of the Company on October 31, 2024. Each unit represents an entitlement to one common share of the Company. The weighted average fair value of the RSUs granted was $1.47 per RSU initially at the closing price of the common shares of the Company on the date of the grant. The share-based payment expense recognized for RSUs for the nine months ended July 31, 2024 is $442,146 (2023 - $Nil). The expense recognized pertaining to RSUs was determined based on the following assumptions:

7. SHARE CAPITAL AND RESERVES, continued

	FY 2023-2024
Expected life of options	1 year
Stock price on date of grant	$1.47
Forfeiture rate	0%

8. RELATED PARTY TRANSACTIONS

Parties are considered to be 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. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel comprise the Company's Board of Directors and executive officers.

Key management compensation for the nine months ended July 31, 2024 and 2023 consisted of the following:

a) consulting fees of $18,500 (2023 - $13,500) paid to the CEO/CFO
b) consulting fees of $95,625 (2023 - $11,250) paid to companies controlled by common directors.

9. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the period.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2024, the Company's financial instruments consist of cash and cash equivalents, short-term investments, and accounts payable.

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:

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, continued

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at July 31, 2024, cash and cash equivalents and short-term investments are assessed to be Level 1 instruments.

The Company is exposed to varying degrees of a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, 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 of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are held at a large Canadian financial institution and therefore are not subject to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at July 31, 2024, the Company had working capital of $6,819,920. This included cash and cash equivalents of $38,623, short-term investments of $6,680,301, a GST receivable balance of $34,850, other receivables of $93,381 and prepaid expenses of $313. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest Rate Risk

Interest rate risk consists of two components:

i. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
ii. To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk.