AERO ENERGY LIMITED
(formerly Angold Resources Ltd.)

Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2024 and 2023

(Expressed in Canadian Dollars - unaudited)

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by the entity's auditor.

AERO ENERGY LIMITED (formerly Angold Resources Ltd.)
Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - unaudited)

	October 31, 2024	April 30, 2024
ASSETS		
Current assets		
Cash	$ 523,471	$ 3,749,613
Marketable securities (Note 4)	50,000	214,283
Receivables	138,434	88,031
Prepaid expenses and deposits	639,745	1,301,714
	1,351,650	5,353,641
Exploration and evaluation assets (Note 6)	13,003,755	10,067,008
TOTAL ASSETS	$ 14,355,405	$ 15,420,649
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7)	$ 240,167	$ 125,842
Deferred premium on flow-through shares (Note 8)	128,788	579,519
TOTAL LIABILITIES	368,955	705,361
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	35,611,106	35,411,106
Reserve (Note 10)	1,716,840	1,271,936
Accumulated deficit	(23,341,496)	(21,967,754)
TOTAL SHAREHOLDERS' EQUITY	13,986,450	14,715,288
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 14,355,405	$ 15,420,649

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

These financial statements were authorized for issue by the Board of Directors on December 23, 2024. They are signed on behalf of the Board of Directors by:

"Galen McNamara"
Director

"Brandon Bonifacio"
Director

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

AERO ENERGY LIMITED (formerly Angold Resources Ltd.)
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	For the Three Months Ended October 31, 2024	For the Three Months Ended October 31, 2023	For the Six Months Ended October 31, 2024	For the Six Months Ended October 31, 2023
EXPENSES				
Management fees (Note 11)	**$ 68,000**	$ 37,500	**$ 153,500**	$ 75,000
General and administrative fees	**47,130**	6,613	**82,651**	14,384
Professional fees	**19,938**	39,769	**30,477**	74,692
Consulting fees	**143,233**	99,440	**267,983**	163,771
Shareholder information and investor relations	**414,799**	-	**658,913**	2,769
Transfer agent, regulatory and listing fees	**6,758**	14,522	**16,373**	27,626
Foreign exchange gain	**1,896**	(9,260)	**5,389**	(13,229)
Stock-based compensation (Note 10)	**160,122**	-	**444,904**	-
	861,876	188,584	**1,660,190**	345,013
OTHER ITEMS				
Impairment of exploration and evaluation assets	**-**	-	**-**	7,897
Recovery of management fees	**-**	-	**-**	(40,685)
Gain on marketable securities (Note 4)	**100,000**	(543,236)	**164,283**	(624,354)
Flow-through share premium reversal (Note 8)	**(244,631)**		**(450,731)**	-
NET AND COMPREHENSIVE (INCOME) LOSS FOR THE PERIOD	**$ 717,245**	$ (354,652)	**$ 1,373,742**	$ (312,129)
Basic and diluted (earnings) loss per share for the period	**$ 0.01**	$ (0.02)	**$ 0.01**	$ (0.02)
Weighted average number of common shares outstanding	**95,403,061**	14,470,526	**95,330,615**	14,470,526

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

AERO ENERGY LIMITED (formerly Angold Resources Ltd.)
Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited)

	For the Six Months Ended	
	October 31, 2024	**October 31, 2023**
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (1,373,742)**	$ 312,129
Adjustments for items not affecting cash:		
Recovery of management fees	**-**	(40,685)
Gain on marketable securities	**164,283**	(624,354)
Impairment of exploration and evaluation assets	**-**	7,897
Stock-based compensation	**444,904**	-
Flow-through premium reversal	**(450,731)**	-
Net changes in non-cash working capital items:		
Receivables and prepaid expenses	**611,566**	11,220
Accounts payable and accrued liabilities	**114,325**	383,180
Net cash flows used in operating activities	**(489,395)**	49,387
INVESTING ACTIVITIES		
Exploration and evaluation assets	**(2,736,747)**	(252,109)
Net cash flows used in investing activities	**(2,736,747)**	(252,109)
FINANCING ACTIVITIES		
Proceeds from promissory note	**-**	90,000
Subscriptions received as part of private placement	**-**	10,000
Share issuance costs	**-**	(7,786)
Net cash flows provided by financing activities	**-**	92,214
Net decrease in cash	**(3,226,142)**	(110,508)
Cash, beginning of period	**3,749,613**	125,176
Cash, end of period	**$ 523,471**	$ 14,668
Supplemental cash flow information:		
Exploration and evaluation assets costs in accounts payable and accrued liabilities	**$ -**	$ 39,168
Interest paid	-	-
Taxes paid	-	-

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

AERO ENERGY LIMITED (formerly Angold Resources Ltd.)
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Number of shares	Share Capital	Shares Issuable	Subscriptions Received	Reserve	Accumulated deficit	Total
Balance at April 30, 2023	**14,470,526**	**$ 26,782,727**	**$ -**	**$ -**	**$ 1,223,920**	**$ (21,271,641)**	**$ 6,735,006**
Shares issuable for debt settlement	-	-	151,000	-	-	-	151,000
Subscriptions received from private placement	-	-	-	10,000	-	-	10,000
Share issuance costs	-	(7,786)	-	-	-	-	(7,786)
Fair value of expired options (Note 10)	-	-	-	-	(91,928)	91,928	-
Net income for the period	-	-	-	-	-	312,129	312,129
Balance at October 31, 2023	**14,470,526**	**$ 26,774,941**	**$ 151,000**	**$ 10,000**	**$ 1,131,992**	**$ (20,687,584)**	**$ 7,200,349**
Balance at April 30, 2024	**95,256,541**	**$ 35,411,106**	**$ - -**	**$ - -**	**$ 1,271,936**	**$ (21,967,754)**	**$ 14,715,288**
Shares issued for exploration and evaluation assets	1,333,333	200,000	-	-	-	-	200,000
Stock-based compensation expense (Note 10)	-	-	-	-	444,904	-	444,904
Net loss for the period	-	-	-	-	-	(1,373,742)	(1,373,742)
Balance at October 31, 2024	**96,589,874**	**$ 35,611,106**	**$ -**	**$ -**	**$ 1,716,840**	**$ (23,341,496)**	**$ 13,986,450**

On May 26, 2023, the Company completed a share consolidation of its outstanding common shares on the basis of one post-consolidation share for every ten pre-consolidation shares. All share and per-share figures have been adjusted to reflect this consolidation.

1. NATURE OF OPERATIONS AND GOING CONCERN

Aero Energy Limited (formerly Angold Resources Ltd.) (the "Company" or "Aero") was incorporated under the Canada Business Corporations Act on October 6, 2004. On October 22, 2012, the Company completed a continuation under the BC Business Corporations Act. The Company's registered office is located at Suite 2200 – 855 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange (the "Exchange") and trades under the symbol "AERO" and on the OTCQB under the symbol "AAUGF".

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At October 31, 2024, the Company had cash of $523,471 (April 30, 2024 - $3,749,613) and its current assets exceed its current liabilities by $982,695 (April 30, 2024 – $4,648,280). The Company is a junior mineral exploration stage company in the business of acquiring, exploring, and evaluating natural resource properties. The Company has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $23,341,496 as at October 31, 2024 (April 30, 2024 - $21,967,754). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These condensed consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of IFRS Interpretations Committee ("IFRIC").

Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value.

Basis of Consolidation

These condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Federal Gold Corp. ("Federal"), TY & Sons Explorations (Chile) Inc., Rio Explorations SpA and Angold Resources (USA) Ltd. Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar. All amounts in these condensed consolidated interim financial statements are expressed in Canadian dollars, unless otherwise indicated.

<u>Significant accounting judgments</u>

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

2. BASIS OF PREPARATION *(continued)*

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of Aero Energy Limited (formerly Angold Resources Ltd.) and its subsidiaries to be the Canadian dollar. Such determination involves certain judgments to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the condensed consolidated statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at October 31, 2024 and April 30, 2024, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Marketable securities

Marketable securities are measured at their fair value by reference to the quoted share price and considering a discount to reflect lock-up restrictions. This requires estimation and changes in assumptions when estimating the fair value can materially affect the fair value estimate of the marketable securities.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended April 30, 2024 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements.

(Expressed in Canadian Dollars - unaudited)

3. MATERIAL ACCOUNTING POLICIES *(continued)*

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective May 1, 2023 and did not have a material impact on the Company's condensed consolidated interim financial statements.

4. MARKETABLE SECURITIES

On May 18, 2023, the Company received 10,000,000 shares in Minas Metals Ltd. ("Minas") as consideration for the Iron Butte and Hope Butte properties ("USA Properties"). The fair value on the date the shares were received was determined to be $218,614.

	October 31, 2024	July 31, 2023
Fair value, beginning of period	$ 214,283	$ -
Additions	-	218,614
Change in fair value	(164,283)	81,118
Fair value, end of period	$ 50,000	$ 299,732

5. ACQUISITION OF 1443904 BC Ltd.

On February 8, 2024, the Company completed the acquisition (the "Transaction") of 1443904 BC Ltd. ("NumberCo") for consideration of 23,500,000 common shares of the Company. NumberCo holds options to acquire up to 70% of the Strike Property and Murmac Property and 100% of the Sun Dog Property.

The Company accounted for the purchase as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". The following table summarizes the total consideration, the fair value of the acquired identifiable assets and liabilities assumed as of the date of the acquisition:

Fair value of common shares issued (Note 9)	$ 2,498,101
Transaction costs	24,253
Total consideration	$ 2,522,354
Assets acquired:	
Cash	$ 108,782
Other current assets	15,750
Exploration and evaluation asset – Sun Dog (Note 6)	1,569,522
Exploration and evaluation asset – Fortune Bay (Note 6)	865,250
Current liabilities assumed	(36,950)
Net assets acquired	$ 2,522,354

(Expressed in Canadian Dollars - unaudited)

5. ACQUISITION OF 1443904 BC Ltd. *(continued)*

Sun Dog Property (the "Sun Dog Option")

The Sun Dog Option is for the right to acquire a 100% interest from Standard Uranium Ltd. ("Standard") under the following terms:

	Cash		Consideration Shares		Exploration Expenditures	Interest Earned
Execution Date	$200,000	(paid)	$200,000	(issued)	*Nil*	
October 20, 2024	$200,000	(paid)	$200,000	(issued)	$1,500,000	
October 20, 2025	$250,000		$250,000		$2,000,000	
October 20, 2026	*Nil*		*Nil*		$3,000,000	
Total	**$650,000**		**$650,000**		**$6,500,000**	**100%**

Following exercise of the Sun Dog Option, Standard will retain a 2% net smelter returns royalty, which may be reduced to 1% for a $1,000,000 cash payment.

On October 20, 2024, the Company paid $200,000 and issued 1,333,333 common shares to Standard with a fair value of $200,000 as Consideration Shares pursuant to the respective option agreements (Note 10).

Strike and Murmac Properties (the "Strike and Murmac Option")

The Strike and Murmac Option is for the right to acquire up to 70% in the Strike and Murmac properties from Fortune Bay Corp. ("Fortune Bay") under the following terms:

	Cash		Consideration Shares		Exploration Expenditures	Interest Earned
Execution Date	$200,000	(paid)	$200,000	(issued)	*Nil*	
December 15, 2024	$200,000		$200,000		$1,000,000	
December 15, 2025	$250,000		$250,000		$2,000,000	
Total (First Option)	**$650,000**		**$650,000**		**$3,000,000**	**51%**
December 15, 2026	$300,000		$300,000		$3,000,000	
Total (Second Option)	**$300,000**		**$300,000**		**$3,000,000**	**60%**
December 15, 2027	$400,000		$1,200,000		*Nil*	
Total (Third Option)	**$400,000**		**$1,200,000**		***Nil***	**70%**
Grand Total	**$1,350,000**		**$2,150,000**		**$6,000,000**	

The Murmac property is subject to an existing 2% net smelter returns royalty.

After earning-in a 51%, 60% or 70% interest (whichever the case may be), the Company and Fortune Bay will form a joint venture with standard pro-rata funding requirements.

On February 8, 2024, the Company issued 1,333,333 common shares to each of Fortune Bay and Standard with a fair value of $200,000 as Consideration Shares pursuant to the respective option agreements.

(Expressed in Canadian Dollars - unaudited)

6. EXPLORATION AND EVALUATION ASSETS

	Sun Dog	Fortune Bay	Uchi	Chile Properties	Total
Acquisition Costs					
Balance, April 30, 2023	$ -	$ -	$ -	$ 284,875	$ 284,875
Additions (Note 5)	1,769,522	1,065,250	-	-	2,834,772
Balance, April 30, 2024	1,769,522	1,065,250	-	284,875	3,119,647
Additions (Note 5)	400,000	-	-	-	400,000
Balance, October 31, 2024	$ 2,169,522	$ 1,065,250	$ -	$ 284,875	$ 3,519,647
Deferred Exploration Costs					
Balance, April 30, 2023	$ -	$ -	$ -	$ 6,237,837	$ 6,237,837
Additions (Note 5)					
Exploration	-	-	-	1,206	1,206
Permitting and staking fees	15,207	15,207	-	82,192	112,606
Geophysics	119,690	240,759	-	-	360,449
General project costs	128,409	6,480	7,897	100,374	243,160
Impairment	-	-	(7,897)	-	(7,897)
Balance, April 30, 2024	263,306	262,446	-	6,421,609	6,947,361
Additions (Note 5)					
Geophysics	97,085	139,021	-	-	236,106
General project costs and community relations	-	54,246	-	103,950	158,196
Drilling	801,870	1,340,575	-	-	2,342,445
Balance, October 31, 2024	$ 1,162,261	$ 1,796,288	$ -	$ 6,525,559	$ 9,484,108
Total					
Balance, April 30, 2024	$ 2,032,828	$ 1,327,696	$ -	$ 6,706,484	$ 10,067,008
Balance, October 31, 2024	$ 3,331,783	$ 2,861,538	$ -	$ 6,810,434	$ 13,003,755

Chile Properties

The Lajitas and Dorado claims comprise the Dorado property and is located in the Maricunga region of Chile. The Nevada claim comprises the Cordillera property and is also located in the Maricunga region of Chile. The Company has a 100% interest in the Dorado and the Cordillera Properties that include a 2% net smelter royalty which may be reduced to 1% for a payment of $2,000,000 at any time.

Sun Dog Property

On October 20, 2023, the Company signed a definitive option agreement with Standard Uranium, whereby the Company has the option to acquire 100% of the Sun Dog property by completing the following requirements:

	Cash		Consideration Shares		Exploration Expenditures	Interest Earned
Execution Date	$200,000	(paid)	$200,000	(issued)	*Nil*	
October 20, 2024	$200,000		$200,000		$1,500,000	
October 20, 2025	$250,000		$250,000		$2,000,000	
October 20, 2026	*Nil*		*Nil*		$3,000,000	
Total	**$650,000**		**$650,000**		**$6,500,000**	**100%**

(Expressed in Canadian Dollars - unaudited)

6. EXPLORATION AND EVALUATION ASSETS

Fortune Bay Properties

On December 15, 2023, the Company signed a definitive option agreement with 7153945 Canada Inc. and Fortune Bay Corp. whereby the Company has the option to acquire up to a 70% interest in the properties, which includes the Murmac Property, the Strike Property, and any additional mineral rights acquired pursuant to the agreement (the "Properties"). The phase-in requirements for the Company to earn up to a 70% interest are as follows:

	Cash		Consideration Shares		Exploration Expenditures	Interest Earned
Execution Date	$200,000	(paid)	$200,000	(issued)	*Nil*	
December 15, 2024	$200,000		$200,000		$1,000,000	
December 15, 2025	$250,000		$250,000		$2,000,000	
Total (First Option)	**$650,000**		**$650,000**		**$3,000,000**	**51%**
December 15, 2026	$300,000		$300,000		$3,000,000	
Total (Second Option)	**$300,000**		**$300,000**		**$3,000,000**	**60%**
December 15, 2027	$400,000		$1,200,000		*Nil*	
Total (Third Option)	**$400,000**		**$1,200,000**		***Nil***	**70%**
Grand Total	**$1,350,000**		**$2,150,000**		**$6,000,000**	

After earning-in a 51%, 60% or 70% interest (whichever the case may be), the Company and Fortune Bay will form a joint venture with standard pro-rata funding requirements.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At October 31, 2024 and April 30, 2024, the Company's accounts payable and accrued liabilities are comprised of the following:

		October 31, 2024		April 30, 2024
Accounts payable	$	213,199	$	108,023
Accrued liabilities		26,968		17,819
Total	**$**	**240,167**	**$**	**125,842**

8. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

		October 31, 2024		April 30, 2024
Balance, beginning of the period	**$**	**579,519**	**$**	**-**
Deferred premium on flow-through shares issued		**-**		**692,097**
Flow-through premium reversal		(450,731)		(112,578)
Balance, end of the period	**$**	**128,788**	**$**	**579,519**

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

During the year ended April 30, 2024, the Company received $3,183,142 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $692,097.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as a liability.

As at October 31, 2024, the Company had a remaining qualifying expenditure commitment of $128,788 (April 30, 2024: $2,697,079) from the proceeds of flow-through shares issued on March 5, 2024 and March 8, 2024 that must be spent on eligible exploration expenditures prior to December 31, 2025.

(Expressed in Canadian Dollars - unaudited)

9. SHARE CAPITAL

As of October 31, 2024, the Company had an unlimited number of common shares authorized without par value and 96,589,874 (April 30, 2024 – 95,256,541) common shares outstanding.

Six months ended October 31, 2024 and 2023

On October 20, 2024, the Company issued 1,333,333 to Standard as an option payment on the Sun Dog Property.

10. OPTIONS AND WARRANTS

a) Options

During the three and six months ended October 31, 2024, the Company recognized stock-based compensation expense of $160,122 and $444,904 (2023 - $Nil and $Nil) relating to the vesting of previously granted options.

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options is determined by the Board of Directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

A continuity schedule of the Company's outstanding stock options for the six months ended October 31, 2024 and 2023 are as follows:

	October 31, 2024		October 31, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of period	370,500	$ 3.08	473,000	$ 3.02
Granted	5,600,000	0.15	-	-
Expired	-	-	(47,500)	2.89
Outstanding, end of period	**5,970,500**	**$ 0.33**	**425,500**	**$ 3.03**

At October 31, 2024, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (in years)
December 29, 2025	234,500	234,500	$ 4.00	1.16
January 26, 2027	116,000	116,000	$ 1.65	2.24
April 26, 2028	20,000	20,000	$ 0.50	3.49
May 4, 2029	5,600,000	-	$ 0.15	4.48
	5,970,500	**370,500**	**$ 3.08**	**4.33**

(Expressed in Canadian Dollars - unaudited)

10. OPTIONS AND WARRANTS

At October 31, 2024, the Company had outstanding warrants exercisable to acquire common shares of the Company as follows:

Expiry date	Warrants outstanding	Warrants exercisable	Exercise price	Remaining contractual life (in years)
December 16, 2024	2,309,410	2,309,410	$ 1.65	0.28
April 5, 2025	1,956,640	1,956,640	$ 2.00	0.68
April 5, 2025	136,964	136,964	$ 1.40	0.68
April 14, 2025	575,638	575,638	$ 2.00	0.70
March 5, 2026	14,166,688	14,166,688	$ 0.25	1.61
March 8, 2026	4,896,936	4,896,936	$ 0.25	1.60
	24,042,276	24,042,276	$ 0.58	1.39

11. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be made at normal market prices and on normal commercial terms.

(a) Key management compensation included in management fees for the three and six months ended October 31, 2024 and 2023 were as follows:

	Three Months Ended		Six Months Ended	
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Legal fees	$ -	$ 32,352	$ -	$ 50,793
Management fees	48,000	37,500	116,000	75,000
Total	$ 48,000	$ 69,852	$ 116,000	$ 125,793

(b) During the three and six months ended October 31, 2024, the Company incurred stock-based compensation expense of $101,505 and $263,755 (2023 - $Nil and $Nil) related to stock options granted to officers and directors of the Company.

(c) At October 31, 2024, the Company had $2,935 (April 30, 2024 - $Nil) owing to related parties. These amounts are non-interest bearing and have no fixed term of repayment.

(d) During the three and six months ended October 31, 2024, the Company received reimbursements of $Nil and $Nil (2023 - $14,548 and $14,548) from Summa Silver Corp. ("Summa"). Summa is a related party due to a common director and officer.

(e) On June 26, 2023, the Company entered into a promissory note with an officer in the amount of $30,000. The note was unsecured, non-interest bearing and payable on demand. On November 7, 2023, the promissory note was settled through the issuance of 600,000 common shares.

(Expressed in Canadian Dollars - unaudited)

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to continue its business and maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company's capital includes the components of its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash. In order to preserve cash, the Company does not pay any dividends.

The Company is not subject to any externally imposed capital requirements. The Company did not change its capital management approach during the six months ended October 31, 2024.

13. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	October 31, 2024	April 30, 2024
Financial assets:		
Fair value through profit and loss		
Cash and cash equivalents	$ 523,471	$ 3,749,613
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 240,167	$ 125,842

The amount of accounts payable and accrued liabilities includes amounts due to related parties (Note 11).

The fair values of the Company's cash and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At October 31, 2024 and April 30, 2024, the Company had no financial assets measured and recognized on the condensed consolidated statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

Cash is measured using level 1 inputs.

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At October 31, 2024, the Company was exposed to credit risk on its cash.

The Company's cash are held with a high credit quality financial institution in Canada and as at October 31, 2024, management considers its exposure to credit risk to be low.

13. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At October 31, 2024, the Company had cash of $523,471 (April 30, 2024 - $3,749,613) and accounts payable and accrued liabilities of $240,167 (April 30, 2024 - $125,842) with contractual maturities of less than one year. The Company assessed its liquidity risk as low as at October 31, 2024.

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 interest rates. The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at October 31, 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at October 31, 2024, the Company is exposed to foreign currency risk, as it has cash, accounts payables and accrued liabilities denominated in US Dollars and Chilean Peso. Based on its volume of transactions, the Company determines its foreign currency risk is not significant. The following is the Canadian equivalent of financial assets and liabilities that are denominated in US dollars and Chilean Peso:

		October 31, 2024		April 30, 2024
Cash	$	14,475	$	159,951
Accounts payable and accrued liabilities		(2,675)		(37,879)
Net exposure	**$**	**11,800**	**$**	**122,072**

14. SUBSEQUENT EVENTS

On October 14, 2024, the Company closed a non-brokered private placement for gross proceeds of $2,034,219 by issuing (i) 8,964,998 non-flow-through units of the Company at a price of $0.07 per unit; (ii) 7,637,500 flow-through units of the Company at a price of $0.08 per unit; and (iii) 7,401,572 flow-through charity units at a price of $0.1075 per unit. Each unit consists of one common share of the Company and one-half of one share purchase warrant exercisable at a price of $0.11 and expiring on November 14, 2026.

On December 16, 2024, 2,309,410 options with a strike price of $1.65 have expired.

On December 20, 2024, the Company issued 1,333,333 common shares and paid $200,000 to Fortune Bay as part of its option agreement.