



(An exploration-stage company)

Condensed consolidated interim financial statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)



NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE CONDENSED CONSOLIDATED 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 condensed consolidated interim 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 the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GFM RESOURCES LIMITED

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

As at		September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
	Note	\$	\$
ASSETS			
Current			
Cash and cash equivalents		3,257	30,640
Accounts receivable	4	1,235	1,228
Prepaid expenses and deposits		2,941	1,303
Advance payment of mineral concessions	9	8,606	-
		16,039	33,171
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5	23,716	53,678
Loans with related party	6, 8	2,241,891	1,886,099
		2,265,607	1,939,777
SHAREHOLDERS' DEFICIENCY			
Share capital	7	3,484,022	3,484,022
Contributed surplus	7	873,532	870,442
Foreign currency reserve		105,134	14,902
Deficit		(6,712,256)	(6,275,972)
		(2,249,568)	(1,906,606)
		16,039	33,171
Nature of operations and going concern uncertainty	1		
Subsequent events	14		

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

Approved by the board of directors and authorized for issue on November 19, 2024

/s/ "James Robertson"
Director

/s/ "Esteban Rivero González"
Director

GFM RESOURCES LIMITED

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2024	2023	2024	2023
		\$	\$	\$	\$
EXPENSES					
Administration and accounting	8	15,000	15,000	45,000	45,000
Audit and legal		7,721	32,086	37,501	65,486
Property examination costs	9	9,062	9,444	28,961	27,361
Filing and transfer agent fees		2,657	2,996	17,355	9,469
Directors' fees	8	6,000	6,000	18,000	18,000
Office and sundry		1,701	2,117	6,764	5,830
Share-based payments	7	2,045	-	3,090	-
Foreign exchange loss (gain)		31,923	29,680	134,607	(8,670)
Loss before other expenses		(76,109)	(97,323)	(291,278)	(162,476)
Other (expenses)					
Interest on loans	6	(40,999)	(39,837)	(116,350)	(107,104)
Part XIII taxes	6	(865)	-	(22,710)	-
Mexican taxes written off	4	178	1,108	(5,946)	(3,310)
Loss for the period		(117,795)	(136,052)	(436,284)	(272,890)
Other comprehensive income (loss)					
Exchange differences on translating foreign operations, net of tax		58,366	(2,747)	90,232	(63,725)
Total comprehensive loss for the period		(59,429)	(138,799)	(346,052)	(336,615)
Loss per share (basic and diluted)		(0.01)	(0.01)	(0.02)	(0.01)
Weighted average number of shares outstanding (basic and diluted)		19,085,071	19,085,071	19,085,071	19,085,071

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

GFM RESOURCES LIMITED

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Note	Nine months ended September 30	
		2024	2023
		\$	\$
Operating activities			
Loss for the period		(436,284)	(272,890)
Adjustments for items not involving cash:			
- Non-cash interest accrued on loans	6	116,350	107,104
- Non-cash impact of foreign exchange translation		127,179	(13,359)
- shared-based payments	7	3,090	-
Changes in non-cash working capital items:			
- Accounts receivable		(7)	(44)
- Prepaid expenses and deposits		(1,638)	335
- Advance payment of mineral concessions	9	(8,606)	(9,329)
- Accounts payable and accrued liabilities		(34,616)	25,247
- Amounts due to/from related parties	6, 8	-	(7,395)
Cash used in operating activities		(234,532)	(170,331)
Cash flows from financing activities			
Loan advances received from related party	6, 8	363,868	243,009
Interest repayment on loans from related party	6	(156,424)	(119,234)
Cash generated from financing activities		207,444	123,775
Effect of foreign exchange translation on cash		(295)	289
Net change in cash		(27,383)	(46,267)
Cash, beginning of the period		30,640	54,557
Cash, end of the period		3,257	8,290
Supplementary information with respect to cash flows:			
Income taxes paid in cash		-	-
Interest paid in cash including value-added tax	6, 13	(161,078)	(127,580)
Issuance of common shares in settlement of debt to related party		-	-

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

GFM RESOURCES LIMITED

(an exploration-stage company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Unaudited, prepared by management)

(Expressed in Canadian Dollars)

	Share capital		Contributed surplus	Foreign currency reserve	Deficit	Total
	Amount	Value				
	#	\$	\$	\$	\$	\$
Balance, December 31, 2022	19,085,071	3,484,022	870,442	83,117	(5,940,865)	(1,503,284)
Comprehensive loss for the period	-	-	-	(63,725)	(272,890)	(336,615)
Balance, September 30, 2023	19,085,071	3,484,022	870,442	19,392	(6,213,755)	(1,839,899)
Comprehensive loss for the period	-	-	-	(4,490)	(62,217)	(66,707)
Balance, December 31, 2021	19,085,071	3,484,022	870,442	14,902	(6,275,972)	(1,906,606)
Comprehensive loss for the period	-	-	3,090	90,232	(436,284)	(342,962)
Balance, September 30, 2024	19,085,071	3,484,022	873,532	105,134	(6,712,256)	(2,249,568)

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

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

1. Nature of operations and going concern uncertainty

GFM Resources Limited (the "Company") was incorporated under the laws of British Columbia, Canada, on September 3, 1987. During the year ended December 31, 2000, the Company continued its operation in the Yukon Territory under the Business Corporation Act of Yukon and registered as an extra-provincial company in British Columbia under the laws of British Columbia. The addresses of the Company's offices are:

- Administration: Suite 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6, Canada.
- Registered records: Suite 1500 – 1055 West Georgia St., Vancouver, BC, V6E 4N7, Canada.

The Company is in the business of acquisition, exploration and development of mineral properties, and is in one operating segment, namely mineral exploration in Mexico.

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred significant losses since inception, and has a working capital deficiency, as follows:

	September 30, 2024	December 31, 2023
	<u>\$</u>	<u>\$</u>
Deficit	(6,712,256)	(6,275,972)
Working capital deficiency:	(2,249,568)	(1,906,606)

The Company's majority shareholder is Compañía Minera Autlán, S.A.B. de C.V. ("Autlan"), a company from Mexico that is controlled by a director of the Company. Continued operations of the Company are dependent on the Company's ability to obtain public equity financing or to receive continued financial support from its controlling shareholder, Autlan. There can be no assurance the Company will be successful in achieving these goals and, accordingly, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and these adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, global pandemics and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2023.

These condensed consolidated interim financial statements were approved by the Board of Directors for issue on November 19, 2024.

(b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2023.

3. Material accounting policies

The material accounting policies followed for the preparation of these condensed consolidated interim financial statements are consistent with those described in the December 31, 2023, annual consolidated financial statements.

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

4. Accounts receivable

	September 30, 2024	December 31, 2023
	\$	\$
Canadian GST receivable (i)	1,235	1,228

The Company files its Goods and Services Tax (GST) returns with the Canada Revenue Agency on a quarterly schedule.

During the nine months ended September 30, 2024, the Company wrote off an amount of \$3,319 (2023 - \$6,699) of value-added-tax in Mexico ("Impuesto al Valor Agregado" – "IVA"). In Mexico IVA is charged at a rate of 16% and can be credited to any amounts of IVA payable or claimed back from the tax authorities, but only when the invoices that gave rise to it have been effectively paid by the Company. While most of the IVA receivable or creditable corresponds to IVA on the interest portion of the Subsidiary Agreement (Note 6) invoiced by Autlan to the Company, it was decided to write down the amount to zero due to the uncertainty about the timing in which this amount could be recovered or applied to any IVA payable.

There was a change of \$2,627 (2023 - \$(3,388)) in the amount of Mexican income tax recoverable (Impuesto Sobre la Renta "ISR"). ISR is expected to be eventually recovered as the Company posts annual losses. The Company has generated losses during its years of operation with the exception of 2017 when Autlan forgave the Company's debt up to June 30, 2017. While the cumulative losses of prior and later years have resulted in no income taxes payable, that year's net income, together with certain invoicing transactions between the Company's Mexican subsidiary (the "Subsidiary") and Metallorum Prospección, SAPI de CV ("Prospección") pursuant to a Mandate (Note 8) triggered the requirement of a cash prepayment of interim income taxes in Mexico for the Subsidiary based on a coefficient determined by the net income of 2017, even though the Mandate transaction has not generated income for the Subsidiary. The Subsidiary is expected to be able to claim this prepayment back at the time of filing its 2023 income tax return and that of subsequent years, but there is uncertainty as to the timing and amounts that can be recovered or accredited towards other taxes payable. The Company has terminated the Mandate to avoid these interim tax prepayments in cash in the future.

5. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities are as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Trade payables	-	28,456
Accrued liabilities	23,716	25,222
Total	23,716	53,678

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

6. Loans with related party

On November 17, 2017, the Company entered into a loan agreement (the "Loan Agreement") with Autlan, with effect from August 1, 2017. Under the terms of the Loan Agreement, Autlan would make available to the Company a line of credit in up to USD \$2,000,000 per year. Advances made under the Loan Agreement bear annual simple interest calculated on the Secured Overnight Financing Rate ("SOFR", which replaced the London Interbank Offered Rate - LIBOR) plus 2%, calculated daily on the outstanding balance. The principal outstanding, together with any accrued but unpaid interest will become due and payable on demand, but such demand shall not to be made unless the Company has sufficient funds to repay the loan. There are no convertibility features on this Loan Agreement. During the nine months ended September 30, 2024, the weighted-average interest rate was 7.41% (2023 – 7.04%).

Also on November 17, 2017, Autlan entered into a separate loan agreement with the Company's subsidiary in Mexico (the "Subsidiary Agreement"), with effect from August 1, 2017. Under the terms of the Subsidiary Agreement, Autlan would make available to the Subsidiary a line of credit in up to MXN \$40,000,000 (approximately USD \$2,000,000) per year. Advances made under the Subsidiary Agreement bear annual simple interest calculated on the Bank of Mexico's inter-bank loan rate (TIIE for its acronym in Spanish – *Tasa de Interés Interbancaria de Equilibrio*) plus 2%, calculated daily on the outstanding balance. The full principal amount of this loan, together with interests outstanding to June 30, 2023, were repaid during the year ended December 31, 2023. The remaining interest outstanding up to December 31, 2023, was repaid during January of, 2024, and thus there are no amounts outstanding pursuant to this Subsidiary Agreement.

The following is a summary of the loans with Autlan:

	Principal	Interest			Mexican IVA value-added tax (net)	Total
		accrued	repaid	net		
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022	1,482,519	221,131	(171,533)	49,598	3,500	1,535,617
Loan Agreement	243,009	65,018	(67,072)	(2,054)	-	240,955
Subsidiary Agreement	-	42,086	(52,162)	(10,076)	(3,827)	(13,903)
Foreign exchange adjustment	47,938	(21,103)	23,493	2,390	327	50,655
Balance, September 30, 2023	1,773,466	307,132	(267,274)	39,858	-	1,813,324
Loan Agreement	489,889	26,604	-	26,604	-	516,493
Subsidiary Agreement	(383,708)	14,206	-	14,206	4,655	(364,847)
Foreign exchange adjustment	(77,769)	27,735	(28,839)	(1,104)	2	(78,871)
Balance, December 31, 2023	1,801,878	375,677	(296,113)	79,564	4,657	1,886,099
Loan Agreement	363,868	116,350	(127,347)	(10,997)	-	352,871
Subsidiary Agreement	-	-	(29,077)	(29,077)	(4,654)	(33,731)
Foreign exchange adjustment	35,564	(3,168)	4,259	1,091	(3)	36,652
Balance, September 30, 2024	2,201,310	488,859	(448,278)	40,581	-	2,241,891

Interest is invoiced to the Company by Autlan on a bi-annual basis. During the nine months ended September 30, 2024, the Company repaid 127,347 of interest pursuant to the Loan Agreement, of which \$51,448 was due on December 31, 2023, and \$ 75,899 at June 30, 2024. The Company also repaid \$29,077 of interest due pursuant to the Subsidiary Agreement that was due on December 31, 2023, effectively extinguishing the Subsidiary Agreement loan.

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

6. Loans with related party (continued)

During the nine months ended September 30, 2024, the Company was informed by its tax advisors of the requirement to withhold taxes on interest paid in cash to Autlan pursuant to the Loan Agreement, as required by Part XIII of the Income Tax Act. The Company should have withheld 10% of the interest repaid to Autlan, and remit that to the Canada Revenue Agency. Autlan could in turn use the amount withheld in their own Mexican income tax returns. However, as the Mexican fiscal system is strictly tied to cash movements, withholding amounts corresponding to periods paid in the past will have to be absorbed by the Company as a Part XIII one-time tax in the amount of \$22,710, which includes the withholding requirement inclusive of late filing interest and other penalties. On a going-forward basis, the Company will withhold 10% of any interest payment and remit it to the Canada Revenue Agency. Included in Prepaid expenses and deposits is \$1,639 overpayment to the CRA, which will be used against future Part XIII income tax withholdings.

7. Share capital

a) Authorized: the Company is authorized to issue an unlimited number of common shares without par value. There are no restrictions on transfers.

b) Issued and outstanding:

There were 19,085,071 common shares issued and outstanding as of September 30, 2024, and December 31, 2023. No common shares were issued during the nine months ended September 30, 2024, or during 2023.

c) Warrants

There were no warrants outstanding as of September 30, 2024 (2023 – Nil).

d) Stock options

On May 24, 2023, the Board of Directors approved the adoption of a new incentive stock option plan (the "Plan") replacing the one that had originally been approved on May 23, 2006. The new incentive stock option plan meets the current requirements of the TSX Venture Exchange and was ratified by the shareholders of the Company at its latest annual general meeting held on May 14, 2024.

The Plan allows the board of directors to grant up to 10% of the outstanding common shares of the Corporation from time to time on a rolling basis. The Plan is intended to enable the Corporation to attract and retain qualified personnel in a competitive marketplace and to encourage equity participation among persons who are directors, officers, employees and consultants of the Corporation, or its affiliates, or who are providing services to the Corporation or its affiliates.

On May 14, 2024, the Company granted an aggregate of 880,000 stock options to its directors and officers. Each stock option entitles its holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of five years. The options will vest as follows: 33% six months after the date of granting, an additional 33% one year after the date of granting, and the remaining 34% two years after the date of granting.

The total fair value of the aforementioned stock options was calculated at \$6,987 using the *Black-Scholes* Option Pricing Model, with the following parameters: risk-free interest rate of 3.64%, expected volatility of 71.55% and expected life of five years. Given the vesting restrictions, the calculated graded vested amount for the nine months ended September 30, 2024, was \$3,090.

There were no stock options outstanding prior to 2024.

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

7. Share capital (continued)

The following table summarizes the stock option activity:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	#	\$	#	\$
Balance, beginning of year	-	-	-	-
Granted	880,000	0.10	-	-
Outstanding, end of period	880,000	0.10	-	-
* Exercisable, end of period	-	0.10	-	-

8. Related party transactions

The Company entered into the following transactions with related parties and incurred payments to key management personnel, which were in the normal course of operations, as follows:

Nine months ended September 30:	2024	2023
	\$	\$
Management fees paid to a company controlled by the Chief Financial Officer of the Company:	45,000	45,000
Director's fees:	18,000	18,000
Advances pursuant to Loan Agreement: ⁽ⁱ⁾	363,868	243,009
Interest accrued on advances: ^(i,ii)	116,350	107,104
Interest repaid on Loan Agreement and Subsidiary Agreement (including Mexican value added tax):	(161,078)	(127,580)

⁽ⁱ⁾ Pursuant to the Loan Agreement with Autlan (Note 6).

⁽ⁱⁱ⁾ Pursuant to the Subsidiary Agreement with Autlan (Note 6).

The amounts due to related parties are as follows:

As at:	September 30, 2024	December 31, 2023
	\$	\$
Amounts owed to Autlan pursuant to Loan Agreement (Note 6):	2,241,891	1,852,342
Amounts owed to Autlan by Subsidiary pursuant to Subsidiary Agreement (Note 6):	-	33,757
	2,241,891	1,886,099

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

9. Property examination costs

La Casita, Durango, Mexico

The Company holds title to three mineral concessions in the state of Durango, Mexico ("La Casita" group of concessions), for which it is paying the semi-annual concession maintenance fees.

Dany II, Guanajuato, Mexico

During the year ended December 31, 2019, the Company issued a bid to the Mexican mining authorities for the potential acquisition of the Dany II concession in the state of Guanajuato, Mexico. The Company's majority shareholder, Autlan, owns other concessions in this area. While the bid was successful, the Mexican Ministry of Mines in Mexico has not issued the concession title. Furthermore, there is no assurance that the Mexican Ministry of Mines will extend issue new concession titles, in which case the Company would attempt to request a refund. If the title is issued, the Company will add this concession to its portfolio of properties for potential exploration.

The summary of property examination costs is as follows:

	Prepaid amount		Expensed	
	As at		Nine months ended September 30	
	September 30, 2024	December 31, 2023	2024	2023
	\$	\$	\$	\$
La Casita concession fees	8,606	-	28,961	27,361

10. Financial instruments

Pursuant to IFRS 9, the Company classifies cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, due to related parties, loans with related party and Part XIII tax liability at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at September 30, 2024, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Mexican pesos. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs.

A change in the value of the Mexican peso by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$4,000 (December 31, 2023 - \$1,000), and its net loss for the year by approximately \$4,000 (2023 - \$12,000).

A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by approximately \$224,000 (December 31, 2023 - \$183,000), and its net loss for the year by approximately \$42,000 (2023 - \$18,000). These amounts are related to the Loan Agreement, which is denominated in US dollars.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company is exposed to interest rate risk on its Loan Agreement as detailed in Note 6. A change 1% change in interest rate would affect the interest by approximately \$5,500 based on the principal outstanding as at September 30, 2024 (2023 - \$4,700).

Liquidity risk

The Company will depend on the advances provided by Autlan through the Loan Agreement (Note 6). The liquidity risk relates to the low cash position and the dependence on these advances. Also see Note 1 for further discussion regarding liquidity risks.

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

11. Capital disclosures

The Company's objective when managing capital is to maintain a flexible capital structure for its projects for the benefit of its stakeholders. The Company's main source of funds is from the funds received from Autlan as a part of the Loan Agreement (Notes 1 and 6).

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company's investment policy is to invest its available cash in Canadian chartered banks and from time to time in guaranteed term deposits at fixed interest rates established at the time of investment. All its funds are available for project and corporate objectives.

The Company considers cash and cash equivalents to include amounts held in banks. The Company places its cash with institutions of high credit worthiness. On September 30, 2024, the Company had cash and cash equivalents of \$3,257 (December 31, 2023 – \$30,640).

During the nine months ended September 30, 2024, the Company repaid all interest outstanding up to June 30, 2024, on its Loan Agreement of \$127,347 and on its Subsidiary Agreement of \$29,077 plus \$4,654 of IVA (2023 - \$67,072, \$52,162 and \$3,827, respectively).

The Company is not subject to any externally imposed capital requirements.

12. Supplementary information with respect to cash flows

The following table provides a reconciliation of cash and non-cash related to the loans with a related party generated from financing activities:

	Balance	Cash	Cash	Non-cash	Cash	Non-cash	Balance
	December 31, 2022	Principal advances	Principal repayment	Interest accrued	Interest repayed	Foreign exchange	September 30, 2023
	\$	\$	\$	\$	\$	\$	\$
Loans with related party	1,535,617	243,009	-	107,104	(123,061)	50,655	1,813,324
	September 30, 2023	Principal advances	Principal repayment	Interest accrued	Interest repayed	Foreign exchange	December 31, 2023
	\$	\$	\$	\$	\$	\$	\$
Loans with related party	1,813,324	489,889	(383,708)	40,810	4,655	(78,871)	1,886,099
	December 31, 2023	Principal advances	Principal repayment	Interest accrued	Interest repayed	Foreign exchange	September 30, 2024
	\$	\$	\$	\$	\$	\$	\$
Loans with related party	1,886,099	363,868	-	116,350	(161,078)	36,652	2,241,891

GFM RESOURCES LIMITED

(An exploration-stage company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars except where indicated)

13. Segmented information

The Company is in one segment, namely mineral exploration in Mexico, with administration in two geographical regions, namely Canada and Mexico.

14. Subsequent events

Subsequent to September 30, 2024, the Company has received \$8,323 (USD \$6,000) in advances pursuant to the Loan Agreement.

* * * * *