



**SANDFIRE RESOURCES AMERICA INC.**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED**

**SEPTEMBER 30, 2024 AND 2023**

**SANDFIRE RESOURCES AMERICA INC.**

**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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

**SANDFIRE RESOURCES AMERICA INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024 and 2023**  
(Unaudited - Expressed in Canadian Dollars)

	September 30, 2024	June 30, 2024
	\$	\$
<b>ASSETS</b>		
Current		
Cash and cash equivalents	792,306	570,474
Prepaid expenses and other assets	342,415	488,707
<b>Total current assets</b>	<b>1,134,721</b>	<b>1,059,181</b>
Non-current		
Property and equipment (Note 5)	12,976,099	12,790,578
Resource properties (Note 6)	11,016,687	10,773,654
Reclamation bond (Note 6 (vi))	599,737	606,398
Prepaid mining property tax (Note 6 (vii))	591,024	597,588
<b>Total assets</b>	<b>26,318,268</b>	<b>25,827,399</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 7 & 12)	1,558,049	1,962,675
Other liabilities (Note 11)	-	97,611
Interest payable – related party (Note 9)	3,349,603	2,800,215
Loans payable – related party, net of discount (Note 9)	45,651,554	40,013,457
<b>Total current liabilities</b>	<b>50,559,206</b>	<b>44,873,958</b>
Long-term		
Accrued reclamation and remediation (Note 8)	2,846,505	2,846,594
<b>Total liabilities</b>	<b>53,405,711</b>	<b>47,720,552</b>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Share capital (Note 10)	140,084,649	140,084,649
Contributed surplus	9,431,333	9,048,706
Foreign currency reserve	493,722	118,733
Accumulated deficit	(177,097,147)	(171,145,241)
<b>Total shareholders' deficit</b>	<b>(27,087,443)</b>	<b>(21,893,153)</b>
<b>Total shareholders' deficit and liabilities</b>	<b>26,318,268</b>	<b>25,827,399</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
COMMITMENTS AND CONTINGENCIES (Note 14)  
SUBSEQUENT EVENTS (Note 17)

"Jason Grace"  
Director

"Chris K. Hedrich"  
Director

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>EXPENSES</b>		
Executive management fees (Note 12)	100,500	74,227
Depreciation (Note 5)	96,580	68,216
Depreciation of right of use asset	-	3,917
Exploration and evaluation costs (Note 6)	3,842,880	1,461,075
Foreign exchange (gain) loss	(17,853)	3,530
Office, administration and miscellaneous	100,909	99,252
Professional fees	198,805	277,143
Share-based compensation (recovery) (Notes 11 & 12)	15,368	(56,524)
Loss from operations	(4,337,189)	(1,930,836)
<b>OTHER ITEMS</b>		
Interest expense - related party (Note 9)	(1,583,224)	(1,032,643)
Interest expense	-	(952)
Accretion (Note 8)	(31,493)	(28,057)
Net loss for the period	(5,951,906)	(2,992,488)
<b>Other comprehensive income</b>		
Foreign currency reserve gain (loss)	374,989	(285,206)
Net other comprehensive income (loss)	374,989	(285,206)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(5,576,917)</b>	<b>(3,277,694)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.01)</b>	<b>(0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>		
	1,023,352,794	1,023,352,794

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

**SANDFIRE RESOURCES AMERICA INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Unaudited - Expressed in Canadian Dollars)

	Share Capital # of shares	Share Capital \$	Contributed Surplus \$	Foreign Currency Reserve \$	Accumulated Deficit \$	Total \$
Balance at July 1, 2023	1,023,352,794	140,084,649	4,737,956	667,307	(153,625,769)	(8,135,857)
Loss for the period	-	-	-	-	(2,992,488)	(2,992,488)
Other comprehensive loss	-	-	-	(285,206)	-	(285,206)
Contribution by parent associated with loan (Note 9)	-	-	264,943	-	-	264,943
<b>Balance at September 30, 2023</b>	<b>1,023,352,794</b>	<b>140,084,649</b>	<b>5,002,899</b>	<b>382,101</b>	<b>(156,618,257)</b>	<b>(11,148,608)</b>
Loss for the period	-	-	-	-	(14,526,984)	(14,526,984)
Other comprehensive loss	-	-	-	(263,368)	-	(263,368)
Contribution by parent associated with loan (Note 9)	-	-	4,045,807	-	-	4,045,807
<b>Balance at June 30, 2024</b>	<b>1,023,352,794</b>	<b>140,084,649</b>	<b>9,048,706</b>	<b>118,733</b>	<b>(171,145,241)</b>	<b>(21,893,153)</b>
Loss for the period	-	-	-	-	(5,951,906)	(5,951,906)
Other comprehensive gain	-	-	-	374,989	-	374,989
Contribution by parent associated with loan (Note 9)	-	-	382,627	-	-	382,627
<b>Balance at September 30, 2024</b>	<b>1,023,352,794</b>	<b>140,084,649</b>	<b>9,431,333</b>	<b>493,722</b>	<b>(177,097,147)</b>	<b>(27,087,443)</b>

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

**SANDFIRE RESOURCES AMERICA INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(5,951,906)	(2,992,488)
Items not involving cash:		
Depreciation (Note 5)	96,580	72,133
Accretion of accrued reclamation and remediation (Note 8)	31,493	28,057
Foreign exchange gain	(17,853)	3,530
Accretion of interest on lease liabilities	-	1,135
Accretion of interest on loan payable – related party (Note 9)	998,053	647,531
Share-based compensation (recovery) (Note 11)	15,368	(56,524)
Changes in operating assets and liabilities	(4,828,265)	(2,296,626)
Prepaid expenses and other assets	146,292	(27,448)
Accounts payable and accrued liabilities	(404,626)	(244,363)
Accrued interest payable – related party	549,388	385,111
Other liabilities	(97,611)	-
Cash used in operating activities	(4,634,822)	(2,183,326)
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment (Note 5)	(421,811)	(406,809)
Additions to resource properties (Note 6)	(369,562)	(325,000)
Cash used in investing activities	(791,373)	(731,809)
<b>FINANCING ACTIVITIES</b>		
Proceeds from loan payable – related party (Note 9)	5,503,531	3,525,765
Cash provided by financing activities	5,503,531	3,525,765
Net increase in cash during the period	77,336	610,630
Effect of exchange rate on cash and cash equivalents	144,496	(72,575)
Cash and cash equivalents, beginning of period	570,474	119,302
<b>Cash and cash equivalents, end of period</b>	<b>792,306</b>	<b>657,357</b>
Cash	521,328	657,357
Cash equivalents	270,978	-
<b>Total cash and cash equivalents</b>	<b>792,306</b>	<b>657,357</b>

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

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**SANDFIRE RESOURCES AMERICA INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

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1. NATURE OF OPERATIONS AND GOING CONCERN

Sandfire Resources America Inc. (the "Company") (TSX.V SFR.V) was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The Company is an 86.9% subsidiary of Sandfire Resources Ltd., a public company in Australia. The address of the Company's corporate and head office is 1111 W Hastings St. 15th Floor Vancouver, BC V6E 2J3, Canada. The Company's stock symbol is "SFR.V" on the TSX Venture Exchange and "SRAFF" on the U.S. OTC Market.

In 2020, the Company has started pre-construction earthworks of the Black Butte Copper project. The ability of the Company to obtain necessary financing to commence the full development and construction is not certain.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

During the three months ended September 30, 2024, the Company incurred a comprehensive net loss of \$5,576,917 (September 30, 2023 - \$3,277,694), the Company's cash and cash equivalents was \$792,306 (June 30, 2024 - \$570,474) and had a working capital deficit of \$49,424,485 (June 30, 2024 - \$43,814,777). The Company filed the Black Butte Copper Project Technical Report on December 10, 2020. During the year ended June 30, 2024, the Company's subsidiary, Tintina Montana Inc. ("TMI") and the Company as guarantor, entered into various bridge loan agreements, denominated in USD with Sandfire Resources Ltd (parent) for short-term funding of day-to-day operations. The Company will have to raise additional funds to meet planned 2025/26 exploration expenses and future mine development work plans. On June 30, 2024, the Company entered into a third variation agreement of the September 2021 bridge loan agreement with Sandfire Resources Ltd. Under the terms of the agreement the available principal amount of the loan was increased from USD\$32 million to USD\$40 million along with the maturity date being extended to June 30, 2025.

The Company has concluded that the working capital as held at September 30, 2024, is insufficient to fund all committed and non-discretionary expenditures for at least the next twelve months. Unless additional funds are raised, the Company may have insufficient funds to realize its assets and discharge its liabilities in the normal course of business.

On November 1, 2022, the Company announced that the necessary permits to appropriate water for the Black Butte Copper Project were received. Issuance of the water permits triggered an appeal by objectors (Note 14).

The Company's history of losses and negative working capital indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company plans to address this uncertainty by drawing down on its amended bridge loan agreement (as discussed above) in fiscal year 2025. The Company's ability to raise funds is dependent on many factors such as the volatility in copper prices and the ongoing legal challenges, and as such there is no assurance that the Company will be successful in obtaining the required financing for planned exploration and mine development, as well as for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

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**SANDFIRE RESOURCES AMERICA INC.**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Accounting policies applied are consistent with those of the previous financial year, unless otherwise noted.

b) Basis of preparation

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for financial instruments designated at fair value through profit or loss which are carried at fair value. These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 1, 2024.

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned US subsidiary, TMI, which was incorporated in the United States. TMI wholly owns the Black Butte copper underground project. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements involves the use of judgments and estimates and from assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These judgments and estimates are based on management’s best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated. Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods.

Impairment of resource properties

Determining if there are any facts and circumstances indicating impairment loss on resource properties is a subjective process involving judgment and a number of estimates and interpretations in many cases. Determining whether to test for impairment of resource properties requires management’s judgment, among others, regarding the following:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

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**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
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- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Impairment assessments for resource properties require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, and resources. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recognized in the Condensed Consolidated Interim Statements of Loss.

These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's loss may occur in future periods.

#### Impairment of PPE

Determining if there are any facts and circumstances indicating impairment loss on property and equipment ("PPE") is a subjective process involving judgment and a number of estimates and interpretations in many cases. Impairment exists when the carrying value of PPE exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from researched sales transactions of similar assets, conducted at arm's length, or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's loss may occur in future periods.

#### Estimated useful life of property, and equipment

Management estimates the useful lives of PPE based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for amortization of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at each reporting date and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's PPE in the future.

#### Determination of technical feasibility and commercial viability of a resource property

The application of the Company's accounting policy for resource properties requires determining when technical feasibility and commercial viability have been demonstrated involves significant judgement, particularly in relation to projects where feasibility assessment may be ongoing over an extended period of time.

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In making this determination, management assesses whether a final investment decision has been approved by the Company's board of directors which is an indication of technical feasibility and commercial viability of a project. Absent this approval, other factors are considered, such as the booking of significant quantities of commercial reserves, approval of budgeted expenditure to commence commercial development activities or the actual commencement of expenditure on development activities. As at September 30, 2024, the Company has determined that they are in the exploration and evaluation stage as they are awaiting the resolution of the objections to the water permit application as discussed below.

Accrual of reclamation and remediation costs

In determining accrued reclamation and remediation costs, the calculation of discounted cash flows includes various factors that require estimates and judgments including the extent and costs of reclamation and remediation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The accrued reclamation and remediation costs are subsequently accreted to its full value over time through charges to the Consolidated Statements of Loss. The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, whether closure plans achieve intended reclamation goals, and the emergence of new restoration techniques or experience. The expected timing of expenditures can also change. As a result, there could be significant adjustments to the provision for rehabilitations, which would affect future financial results.

Share-based payments

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

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

Capital contribution from bridge loan

The Company received loans from its parent company at a below-market rate, hence, the benefit is recorded as a capital contribution within equity. Management has determined the market rate is based

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on the US Federal Reserve Bank investment grade rated CCC or below corporate debt publicly issued in the US domestic market.

4. ACCOUNTING STANDARDS

*Accounting standards issued but not yet effective*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after July 1, 2024, or later periods. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following has not been adopted and is being evaluated to determine the impact on the Company's condensed consolidated interim financial statements:

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

5. PROPERTY AND EQUIPMENT

	Equipment	Vehicle	Buildings and improvements	Assets under construction	Land	Total
Cost	\$	\$	\$	\$	\$	\$
Opening balances as of June 30, 2023	445,664	487,880	1,969,886	8,975,874	217,876	12,097,180
Additions	106,663	9,572	578,291	9,153	1,152,293	1,855,972
Revaluation of reclamation and remediation asset	-	-	-	(196,834)	-	(196,834)
Currency translations	14,445	15,813	63,849	289,071	7,061	390,239
June 30, 2024	566,772	513,265	2,612,026	9,077,264	1,377,230	14,146,557
Additions	58,016	-	195,196	168,599	-	421,811
Transfers	9,052	-	-	(9,052)	-	-
Currency translations	(6,226)	(5,637)	(28,691)	(99,753)	(15,128)	(155,435)
<b>September 30, 2024</b>	<b>627,614</b>	<b>507,628</b>	<b>2,778,531</b>	<b>9,137,058</b>	<b>1,362,102</b>	<b>14,412,933</b>
<b>Accumulated Depreciation</b>						
Opening balances as of June 30, 2023	139,259	227,626	593,750	-	-	960,635
Additions	144,066	73,090	143,683	-	-	360,839
Currency translations	5,871	8,067	20,567	-	-	34,505
June 30, 2024	289,196	308,783	758,000	-	-	1,355,979
Additions	37,978	17,867	40,735	-	-	96,580
Currency translations	(3,503)	(3,545)	(8,677)	-	-	(15,725)
<b>September 30, 2024</b>	<b>323,671</b>	<b>323,105</b>	<b>790,058</b>	<b>-</b>	<b>-</b>	<b>1,436,834</b>
<b>Net book value</b>						
June 30, 2024	277,576	204,482	1,854,026	9,077,264	1,377,230	12,790,578
<b>September 30, 2024</b>	<b>303,943</b>	<b>184,523</b>	<b>1,988,473</b>	<b>9,137,058</b>	<b>1,362,102</b>	<b>12,976,099</b>

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At September 30, 2024, assets under construction consist of partial phase one mine development assets being, roads, pit, land improvements, fencing, and reclamation and remediation asset. These assets will be placed in service once mining and milling of the property begins.

As at September 30, 2024, the Company has successfully won one of the two legal challenges as described in Note 15. With the water permits challenge still pending, management has made the decision to continue to suspend construction of the assets under construction pending resolution of the water permits challenge. As a result, no borrowing costs were capitalized to assets under construction during the three months ended September 30, 2024 and the year ended June 30, 2024.

**6. RESOURCE PROPERTIES AND EXPLORATION AND EVALUATION COSTS**

Additions to resource properties during the three months ended September 30, 2024 and year ended June 30, 2024 were as follows:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of period	10,773,654	9,473,219
Additions:		
Black Butte Copper 2010 Leases (Note 6i)	-	602,438
Black Butte Copper 2011 Leases (Note 6ii)	-	54,929
Lease and water use agreement (Note 6iii)	27,410	27,162
Mining lease agreement 2017 (Note 6iv)	13,705	13,581
Mining lease agreement 2023 (Note 6v)	6,839	6,790
Bureau of land management payments	321,608	276,398
Currency translation	(126,529)	319,137
<b>Balance, end of period</b>	<b>11,016,687</b>	<b>10,773,654</b>

Exploration and evaluation costs incurred during the three months ended September 30, 2024, and 2023 were \$3,842,880 and \$1,461,075, respectively.

**i) Black Butte Copper 2010 Leases**

On May 2, 2010, the Company, through its wholly-owned subsidiary, TMI, entered into mining lease agreements and a surface use agreement (collectively, the "Black Butte Agreements") with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States.

The Black Butte Agreements, as amended, provide the Company, through TMI, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and advance minimum royalty payments to be paid to the lessors for the initial 30 year term, in total of approximately USD\$12,400,000 (USD\$5,612,763 paid as of September 30, 2024) in cash and a Net Smelter Returns ("NSR") royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of USD\$10,000,000.

In addition, due to a purchase option provision in the Black Butte Copper 2010 lease, the Company began paying an individual lessor USD\$4,293 annually over 20 years beginning in June 2021.

**ii) Black Butte Copper 2011 Leases**

In June 2011, the Company, through its subsidiary, staked additional claims on federal lands and entered into mining lease agreements. The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of USD\$1,250,000 in cash (USD\$410,000 paid as of September 30, 2024), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of USD\$5,000,000.

**iii) Lease and Water Use Agreement**

On October 15, 2015, the Company, through TMI, entered into a Lease and Water Use Agreement to lease the water rights to certain locations in Meagher County, Montana, United States, for a term of 30 years. The Company shall pay the owner the sum of USD\$20,000 per year, increasing to USD\$100,000 per year upon actual mining and production of minerals at the Black Butte Copper property. The Company can terminate the lease and water use agreement at its option.

**iv) Mining Lease Agreement 2017**

On September 13, 2017, the Company, through TMI, entered into a Mining Lease Agreement for the purpose of mineral exploration and mining in certain lands located in Meagher County, Montana for an initial term of 30 years. In consideration, the Company shall pay the owner an advance minimum royalty payment, in total of USD\$555,000 in cash (USD\$50,000 paid as of September 30, 2024) and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% royalty to 2% in return for a payment of USD\$5,000,000 divided pro rata among the mineral owners, and an option to renew the lease for five years. The Company can terminate the mining lease agreement at its option.

**v) Mining Lease Agreement 2023**

On August 17, 2023, the Company, through TMI, entered into a Mining Lease Agreement for the purpose of mineral exploration and mining in certain lands located in Meagher County, Montana for an initial term of 30 years along with two 10 year extensions. In consideration, the Company shall pay the owner an advance minimum royalty payment, in total of USD\$150,000 in cash (USD\$10,000 paid as of September 30, 2024) and a NSR royalty of 2% after commencement of commercial production, if any. The Company can terminate the mining lease agreement at its option.

**vi) Reclamation Bond**

The Company had reclamation bonds of \$599,737 (USD\$443,442) and \$606,398 (USD\$443,442) held with Department of Environmental Quality ("DEQ") as at September 30, 2024, and June 30, 2024, respectively. The Bonds are recorded as non-current assets on the Condensed Consolidated Interim Statements of Financial Position.

**vii) Prepaid Mining Property Tax**

During the year ended June 30, 2021, the Company was required per its August 2018 Hard Rock Mining Impact Plan (HRMIP) to make mine property tax prepayment of \$593,987 (USD\$437,000) to cover the immediate impacts for the City of White Sulphur Springs and Meagher County resulting from the planned development of the Black Butte Project. The prepayment will be credited against future

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property taxes due once the resource taxable assets are constructed and added to the Meagher County property tax lists of taxable assets for the Company. The prepaid mining property tax balance at September 30, 2024, and June 30, 2024, is \$591,024 (USD\$437,000) and \$597,588 (USD\$437,000), respectively. There were no additional property taxes paid in the three months ended September 30, 2024.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company had the following accounts payables and accrued liabilities at September 30, 2024, and June 30, 2024.

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	\$	\$
Trade payables	538,581	601,371
Accrued liabilities and other	650,667	1,113,060
Accrued salaries and payroll	368,801	248,244
<b>Total accounts payable and accrued liabilities</b>	<b>1,558,049</b>	<b>1,962,675</b>

**8. ACCRUED RECLAMATION AND REMEDIATION**

The Company records accrued reclamation costs related to disturbance to its properties would be subject to restoration in the future based upon the present value of its best estimate of future reclamation costs. Activity in the related accrued reclamation and remediation balance for the three months ended September 30, 2024, and year ended June 30, 2024, is as follows:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	\$	\$
Balance, beginning of period	2,846,594	2,735,180
Accretion	31,493	112,733
Changes in discount rate and estimates	-	(196,834)
Currency translation	(31,582)	195,515
<b>Balance, end of period</b>	<b>2,846,505</b>	<b>2,846,594</b>

The undiscounted amount of the expected cash flows required to settle the reclamation liability, upon completion of mining and milling activities, is estimated to be USD\$2.2 million as at September 30, 2024. The Company has estimated that reclamation and remediation payments are expected to be incurred from 2034 to 2053 with the majority of the payments being made in years 2039 to 2042. The liability for the expected cash flows, as reflected in the condensed consolidated interim financial statements, has been inflated at 3.00% (June 30, 2024 – 3.00%) and discounted using a risk-free rate of 4.40% (June 30, 2024 - 4.40%).

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9. LOANS PAYABLE – RELATED PARTY

Beginning in September 2021 and through September 30, 2024, TMI and the Company as guarantor, entered into various bridge loan agreements with Sandfire Resources Ltd. (parent) for short-term funding of day to day operations. At June 30, 2024, the bridge loan agreement, as amended, specify that repayment of the loans were initially the earlier of (i) June 30, 2025 or (ii) 7 days after the Company completes either a debt or equity financing with gross proceeds of at least USD\$48 million. As at September 30, 2024, USD\$36 (\$48.8) million has been borrowed, with a maximum amount available to be borrowed under the bridge loan of USD\$40 million through one or more advances.

Interest on the loans is set at 5% per annum and interest is payable on the last day of each calendar month. The stated interest rate of the bridge loan was below the market rate for similar loan instruments. For accounting purposes at the date of each advance, the Company discounts the expected payments using a risk-adjusted discount rate and an estimated repayment date. Rates of 12.24% to 13.98% were used for the loans received during the three months ended September 30, 2024 (12.87% to 15.41% for the year ended June 30, 2024). Amounts received in excess of fair value on the date of the advances were credited to contributed surplus representing a contribution by Sandfire Resources Ltd.

A summary of the activity for the three months ended September 30, 2024 and for the year ended June 30, 2024 is as follows:

	<b>Three months ended September 30, 2024</b>	<b>Year ended June 30, 2024</b>
	\$	\$
Balance, beginning of the period	40,013,457	25,529,616
Additions	5,503,531	14,848,977
Discount due to below-market interest rate	(382,627)	(4,310,750)
Accretion of discount	998,053	2,968,415
Currency translation	(480,860)	977,199
<b>Balance, end of the period</b>	<b>45,651,554</b>	<b>40,013,457</b>
	<b>Three months ended September 30,</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
Interest expense (including accretion of discount)	\$ 1,583,224	\$ 1,032,643
	<b>As at</b>	<b>As at</b>
	<b>September 30, 2024</b>	<b>June 30, 2024</b>
Accrued interest payable	\$ 3,349,603	\$ 2,800,215

The bridge loan agreement was amended on June 30, 2024 to extend the term and increase the maximum amount available to be funded. The amendment resulted in a discount of \$3,745,873 recognized on the loan payable balance at June 30, 2024, with an offsetting credit to contributed surplus representing a contribution by Sandfire Resources Ltd. The discount was due to the stated interest rate of 5% being below the market rate for similar loan instruments of 13.95% and, on the date of the amendment.

All other terms and conditions of the bridge loan remain in full force and effect, except as amended. No securities of the Company are issuable under the Agreement.

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10. SHARE CAPITAL

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding at September 30, 2024: 1,023,352,794 (June 30, 2024: 1,023,352,794) common shares.

11. SHARE INCENTIVE PLAN AND SHARE-BASED PAYMENTS

On November 1, 2021, the Company established an Omnibus Share Incentive Plan (the "Plan") for certain qualified directors, executives, officers, employees, and consultants. The Plan includes options that were issued under the Company's former stock option plan. Shares delivered under the Plan will generally be from authorized but unissued shares of the Company. The Plan reserves for issuance up to 2.5% of the issued and outstanding share capital of the Company from time to time with the maximum number of shares reserved cannot exceed 102,325,279 shares. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant.

The Plan allows for awards in the following forms: stock purchase option, restricted share unit ("RSU"), performance share unit ("PSU") or deferred share unit ("DSU"). Options granted under the Plan entitle the recipient to acquire a designated number of shares at a stated exercise price and typically vest over a period specified in the option agreement. DSUs are granted for services rendered, or for future services to be rendered, that typically vest upon issuance. Settlement of DSUs is the date of the recipient's resignation or termination of employment, retirement, or death. To date, no DSUs have been awarded under the Plan. RSUs and PSUs are granted for services rendered, or for future services to be rendered, that vest based on the passage of time during continued employment or other service relationship over a period determined by the board of directors.

Restricted Share Units:

The Company is required to record a liability for the potential future settlement of the RSUs at each reporting date by reference to the fair value of the liability. The fair value of the recorded liability in relation to the RSUs was \$nil as at September 30, 2024 (June 30, 2024 - \$68,418). During the three months ended September 30, 2024, the remaining outstanding RSUs vested and the Company recognized share-based compensation of \$20,406 (September 30, 2023 – recovery of \$23,683).

Transactions for cash-settled RSUs outstanding for the three months ended September 30, 2024 and year ended June 30, 2024 were as follows:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	<b>Number of RSUs</b>	<b>Number of RSUs</b>
Outstanding, beginning of period	263,147	1,052,586
Settled	(263,147)	(263,147)
Forfeited	-	(526,292)
Outstanding, end of period	-	<b>263,147</b>

Performance Share Units:

The Company is required to record a liability for the potential future settlement of the PSUs at each reporting date by reference to the fair value of the liability. A PSU represents the right to receive a subordinated voting share settled by the issuance of treasury shares or purchased on the open market or the cash equivalent at the market value of a share at the vesting date or a combination of cash and shares at the discretion of the Board. These PSUs vest upon completion of the performance period and

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specific performance conditions set forth for each individual grant for individually defined reporting and operating measurement objectives. The Company determines the factor to be applied to that target number of PSUs, with such percentage based on level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested PSUs become fully vested.

On December 10, 2021, the Company awarded 1,105,216 PSUs that had a weighted average grant date fair value of \$0.19 per PSU or \$209,991. The fair value of the recorded liability in relation to the PSUs was \$nil as at September 30, 2024 (June 30, 2024 – \$29,193). During the three months ended September 30, 2024, the remaining outstanding PSUs vested and the Company recognized share-based compensation recovery of \$5,038 (September 30, 2023 – recovery \$32,741).

Transactions for cash-settled PSUs outstanding for the three months ended September 30, 2024 and June 30, 2024 were as follows:

	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	<b>Number of PSUs</b>	<b>Number of PSUs</b>
Outstanding, beginning of period	112,278	968,383
Milestone achievement adjustment	(40,701)	(336,828)
Settled	(71,577)	(35,085)
Forfeited	-	(484,192)
Outstanding, end of period	-	112,278

**12. RELATED PARTY TRANSACTIONS AND BALANCES**

The following key management personnel compensation and related party transactions took place during the three months ended September 30, 2024 and 2023.

	<b>For the three months ended</b>	
	<b>September 30, 2024</b>	<b>September 30, 2023</b>
	<b>\$</b>	<b>\$</b>
Directors and executive officers' short-term benefits	456,992	219,764
Exploration and evaluation costs	148,670	78,915
Share-based compensation (recovery)	15,369	(56,524)
Total remuneration	621,031	242,155

(1) Exploration and evaluation costs relates to short-term benefits paid to key management personnel whose primary function is exploration and evaluation, or whose function has been substantially allocated to exploration and evaluation activities.

The remuneration of directors and other members of key management, which includes director and management fees as well as salary and wages, is included in short-term benefits and share-based payments.

During the three months ended September 30, 2024, a total of \$100,500 (September 30, 2023 - \$74,227) of the directors and executive officer's short-term benefits were allocated to non-exploration executive management fees on the statement of loss and comprehensive loss.

At September 30, 2024, the Company has an account payable (excluding interest payable (Note 9)) to Sandfire Resources Ltd. of \$410,868 (June 30, 2024 - \$208,028). Refer to Note 9 for information about the Company's loans and interest payable to Sandfire Resources Ltd. These amounts owing by the Company are unsecured, non-interest bearing with no fixed terms of repayment

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13. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration, and development of resource properties. The resource properties are located in the State of Montana in the United States.

	<b>As at September 30, 2024</b>		
	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Other assets	\$ 183,069	\$ 2,142,413	\$ 2,325,482
Property and equipment	-	12,976,099	12,976,099
Resource properties	-	11,016,687	11,016,687
<b>Total Assets</b>	<b>\$ 183,069</b>	<b>\$ 26,135,199</b>	<b>\$ 26,318,268</b>
<b>Total Liabilities</b>	<b>\$ 136,449</b>	<b>\$ 53,269,262</b>	<b>\$ 53,405,711</b>

	<b>As at June 30, 2024</b>		
	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Other assets	\$ 72,628	\$ 2,190,539	\$ 2,263,167
Property and equipment	-	12,790,578	12,790,578
Resource properties	-	10,773,654	10,773,654
<b>Total Assets</b>	<b>\$ 72,628</b>	<b>\$ 25,754,771</b>	<b>\$ 25,827,399</b>
<b>Total Liabilities</b>	<b>\$ 343,711</b>	<b>\$ 47,376,841</b>	<b>\$ 47,720,552</b>

	<b>Canada</b>	<b>United States</b>	<b>Total</b>
Net Loss for three months ended September 30, 2024	\$ (213,288)	\$ (5,738,618)	\$ (5,951,906)
Net Loss for three months ended September 30, 2023	\$ (150,183)	\$ (2,842,305)	\$ (2,992,488)

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14. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company's resource properties are subject to future lease payments. The Company has future lease payments for the Black Butte Copper 2010 and 2011 leases, as well as the lease for the water use agreement and mining leases (Note 6). The aggregate annual payments for the Company's three mineral lease agreements and water agreement are due as follows:

	<b>As of September 30, 2024</b>	
	USD \$	CDN \$
During year ended June 30,		
2025 (remaining)	518,895	701,784
2026	528,895	715,308
2027	528,895	715,308
2028	528,895	715,308
2029	533,895	722,071
Thereafter	6,297,845	8,517,571
<b>Total</b>	<b>8,937,320</b>	<b>12,087,350</b>

Permit

On June 4, 2020, a legal challenge to the issuance of certain permits to the Company was lodged in the 14th Judicial Court in Meagher County, Montana against the DEQ and TMI.

On February 26, 2024, the Company received a positive ruling by the Montana Supreme Court which reversed a 2021 district court decision and instructed the District Judge to have the DEQ completely reinstate Tintina Montana Inc.'s Mine Operating Permit, of the Black Butte Copper Project. The Montana Supreme Court granted the Company's request for summary judgement allowing Black Butte Copper to move forward with construction of its highly engineered, underground copper mine. The Company won on all counts in the Montana Supreme Court decision with a 5-2 decision upholding the 2020 decision of the DEQ to allow copper mining at the Black Butte Copper Project.

Water rights

The Black Butte Copper Project, operated by TMI, proposed underground copper mine is located in the Smith River watershed which is a 'closed basin' to filing of any additional water rights appropriations. For use of water from the mine, other water use must be retired to make the needed water volumes available for the mine.

On November 1, 2022, the Company announced that the necessary permits to appropriate water for the Black Butte Copper Project were received. Issuance of the water permits triggered an appeal by certain objectors.

The outcome of the water rights legal action cannot be determined at this time. The Company has suspended work on its assets under construction pending the resolution of this matter.

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Management contracts

The Company is party to certain management contracts containing minimum commitments of approximately \$519,000 due within one year and additional contingent payments of up to \$355,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to other than as noted below.

As at September 30, 2024, and June 30, 2024, the Company had capital resources consisting of cash, loans, and equity. The Company manages the capital structure and makes adjustments to it in light of 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 or adjust the amount of cash through a debt financing.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations. There was no change to the Company's capital management approach during the three months ended September 30, 2024.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2024, the Company may not be compliant with the policies of the TSXV. The impact of non-compliance is currently unknown and is under the discretion of TSXV.

Refer to Note 1 Nature of operations and going concern.

16. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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Cash settled share-based payments carried at fair value are classified as Level 1 in the fair value hierarchy. As at September 30, 2024 and June 30, 2024, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity.

*Liquidity risk*

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities. The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. Refer to Note 9 for repayment terms for the loans payable.

*Interest rate risk*

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy for cash and cash equivalents is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned insignificant interest income during the three months ended September 30, 2024 and 2023. The Company's loan payable bears interest at a fixed rate.

*Credit risk*

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. Management believes that the credit risk concentration with respect to its financial instruments is remote.

*Foreign currency risk*

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above-mentioned risks and there has been no significant change in the Company's exposure to each risk during the three months ended September 30, 2024. As at September 30, 2024, a 10% change in U.S. dollar against Canadian dollar would result in a \$600,000 (September 30, 2023 - \$300,000) decrease or increase in the Company's net comprehensive loss.

## 17. SUBSEQUENT EVENTS

On October 2, 2024, the Company granted of a total of 1,774,306 restricted share units ("RSUs") to certain officers of the Company in accordance with the Company's long-term incentive plan. Once vested each RSU entitles the holder thereof to receive either one common share of the Company, the cash equivalent of one common share or a combination of cash and common shares, as determined by the Company, net of applicable withholdings. The RSUs will vest in three equal tranches, on July 1, 2025, 2026, and 2027.

The Company has also granted an aggregate 1,774,306 performance share units ("PSUs") to certain officers of the Company. The PSUs granted to officers will vest upon the achievement of certain key performance indicators as determined by the Board, vesting not before two years after the grant date. Once vested, each PSU entitles the holder thereof to receive either one common share of the Company, the cash equivalent of one common share or a combination of cash and common shares, as determined by the Company, net of applicable withholdings. The PSUs will vest in two equal tranches, on July 1, 2026 and 2027.

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Following the above-noted grants, there are 3,548,612 shares issuable on settlement of all outstanding RSUs and PSUs.