FORAN

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

Expressed in thousands of Canadian Dollars

Unaudited

FORAN

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - expressed in thousands of Canadian dollars)

	Note		**September 30, 2024**		December 31, 2023
Assets					
Current assets					
Cash and cash equivalents		$	**424,788**	$	266,487
Accounts and other receivables			**4,680**		2,082
Prepaid expenses and deposits			**3,047**		2,163
Total current assets			**432,515**		270,732
Advances to suppliers	7		**6,354**		7,034
Prepaid expenses			**376**		1,668
Prepaid lease	5		**10,734**		-
Investments			**416**		566
Right-of-use assets			**-**		121
Restricted cash	4		**6,621**		4,287
Exploration and evaluation assets	6		**58,190**		258,081
Mineral property, plant and equipment	7		**425,112**		-
Total assets		$	**940,318**	$	542,489
Liabilities and Shareholders' Equity					
Current liabilities					
Accounts payable and accrued liabilities	7	$	**51,025**	$	30,184
Leases			**-**		244
Credit facilities	10		**3,201**		-
Flow-through share premium liability	8		**9,082**		7,084
Share-based payment liabilities	9		**8,376**		7,660
Total current liabilities			**71,684**		45,172
Decommissioning obligation			**3,975**		1,034
Credit facilities	10		**56,410**		38,222
Total liabilities			**132,069**		84,428
Shareholders' equity					
Share capital	11		**868,850**		520,890
Share-based payment reserve			**12,864**		10,140
Accumulated other comprehensive income (loss)			**(39)**		111
Deficit			**(73,426)**		(73,080)
Total shareholders' equity			**808,249**		458,061
Total liabilities and shareholders' equity		$	**940,318**	$	542,489

Subsequent events (note 15)

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

Approved on behalf of the Board:

/s/ David Petroff	*/s/ Daniel Myerson*
Director	CEO & Executive Chairman

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - expressed in thousands of Canadian dollars, except share information)

		Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
General and administration expenses					
Consulting		$ **2,326**	$ 384	$ **3,000**	$ 1,388
Directors' fees		**62**	54	**174**	179
Investor relations		**415**	207	**777**	592
Office and administration		**433**	391	**1,322**	1,165
Professional fees		**462**	35	**866**	573
Salaries and benefits		**1,389**	507	**3,410**	1,640
Share-based payment expense		**1,494**	1,407	**4,166**	4,415
		6,581	2,985	**13,715**	9,952
Other income					
Other income	13	**(6,075)**	(1,581)	**(13,369)**	(2,233)
		(6,075)	(1,581)	**(13,369)**	(2,233)
Net loss for the period		$ **506**	$ 1,404	$ **346**	$ 7,719
Other comprehensive (income) loss:					
Unrealized loss (gain) on investments		**2**	(29)	**150**	(77)
Total comprehensive loss for the period		$ **508**	$ 1,375	$ **496**	$ 7,642
Net loss per share:					
Basic		$ **0.00**	$ 0.00	$ **0.00**	$ 0.03
Diluted		$ **0.00**	$ 0.00	$ **0.00**	$ 0.03
Weighted average shares outstanding		**376,765,017**	284,446,529	**347,650,044**	275,579,707

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

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Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - expressed in thousands of Canadian dollars, except share information)

		Share Capital										
	Note	Shares		Amount		Reserves		Accumulated OCI		Deficit		Total
Balance, December 31, 2022		**256,193,615**	**$**	**240,639**	**$**	**6,461**	**$**	**58**	**$**	**(59,457)**	**$**	**187,701**
Shares issued pursuant to private placements		24,877,978		100,638		-		-		-		100,638
Flow-through share premium liability		-		(8,657)		-		-		-		(8,657)
Shares issued pursuant to exercise of stock options		1,201,665		1,533		(631)		-		-		902
Shares issued pursuant to exercise of DSUs		100,000		343		-		-		-		343
Shares issued pursuant to exercise of warrants		2,120,000		318		-		-		-		318
Share issuance costs		-		(4,971)		-		-		-		(4,971)
Share-based payment expense		-		-		3,461		-		-		3,461
Reclassification of RSU liability		-		-		(486)		-		-		(486)
Other comprehensive income		-		-		-		77		-		77
Net loss for the period		-		-		-		-		(7,719)		(7,719)
Balance, September 30, 2023		**284,493,258**	**$**	**329,843**	**$**	**8,805**	**$**	**135**	**$**	**(67,176)**	**$**	**271,607**
Shares issued pursuant to private placements		47,913,000		200,038		-		-		-		200,038
Flow-through share premium liability		-		(3,595)		-		-		-		(3,595)
Shares issued pursuant to exercise of stock options		60,000		123		(55)		-		-		68
Shares issued pursuant to exercise of DSUs		-		-		-		-		-		-
Shares issued pursuant to exercise of warrants		-		-		-		-		-		-
Share issuance costs		-		(5,519)		-		-		-		(5,519)
Share-based payment expense		-		-		1,390		-		-		1,390
Reclassification of the RSU liability		-		-		-		-		-		-
Other comprehensive loss		-		-		-		(24)		-		(24)
Net loss for the period		-		-		-		-		(5,904)		(5,904)
Balance, December 31, 2023		**332,466,258**	**$**	**520,890**	**$**	**10,140**	**$**	**111**	**$**	**(73,080)**	**$**	**458,061**
Shares issued pursuant to private placements	11	85,984,253		360,004		-		-		-		360,004
Flow-through share premium liability	11	-		(11,767)		-		-		-		(11,767)
Shares issued pursuant to exercise of stock options	11	1,864,003		3,399		(1,368)		-		-		2,031
Issued pursuant to exercise of DSUs	9	75,000		310		-		-		-		310
Share issuance costs	11	-		(3,986)		-		-		-		(3,986)
Share-based payment expense	11	-		-		4,092		-		-		4,092
Other comprehensive loss		-		-		-		(150)		-		(150)
Net loss for the period		-		-		-		-		(346)		(346)
Balance, September 30, 2024		**420,389,514**	**$**	**868,850**	**$**	**12,864**	**$**	**(39)**	**$**	**(73,426)**	**$**	**808,249**

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

FORAN

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in thousands of Canadian dollars)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash provided by (used in)					
Operations					
Net loss for the period		$ **(506)**	$ (1,404)	$ **(346)**	$ (7,719)
Adjustments for:					
Flow-through share premium recovery	8	**(3,283)**	(2,305)	**(9,769)**	(3,482)
Share-based payment expense		**1,494**	1,407	**4,166**	4,415
Interest expense	13	**322**	1,485	**3,542**	4,040
Unrealized foreign exchange		**(562)**	306	**595**	38
Changes in non-cash working capital:					
Accounts receivable		**964**	(610)	**1,249**	(509)
Prepaid expenses and deposits		**15**	129	**117**	(189)
Accounts payable and accrued liabilities		**3,490**	(3,515)	**(917)**	(3,495)
		1,934	(4,507)	**(1,363)**	(6,901)
Investing					
Restricted cash released	4	**3,466**	-	**3,466**	-
Restricted cash posted	4	**(5,800)**	-	**(5,800)**	-
Prepaid lease		**(10,734)**	-	**(10,734)**	-
Exploration and evaluation expenditures	6	**(8,863)**	(28,107)	**(119,155)**	(71,100)
Property, plant and equipment expenditures	7	**(81,712)**	-	**(81,712)**	-
		(103,643)	(28,107)	**(213,935)**	(71,100)
Financing					
Credit facility drawdowns	10	**13,456**	-	**16,132**	-
Credit facility repayments	10	**(257)**	-	**(370)**	-
Interest paid		**(99)**	-	**(145)**	-
Shares issued pursuant to private placements	11	**360,004**	-	**360,004**	100,000
Share issue costs paid	11	**(3,986)**	-	**(3,986)**	(4,971)
Exercise of stock options	11	**1,095**	11	**2,031**	902
Exercise of warrants		**-**	-	**-**	318
Lease payments		**(152)**	(54)	**(237)**	(401)
		370,061	(43)	**373,429**	95,848
Increase (decrease) in cash and cash equivalents		**268,352**	(32,657)	**158,131**	17,847
Impact of foreign exchange on cash and cash equivalents		**(31)**	444	**170**	(72)
Cash and cash equivalents, beginning of the period		**156,467**	137,310	**266,487**	87,322
Cash and cash equivalents, end of period		$ **424,788**	$ 105,097	$ **424,788**	$ 105,097
Cash and cash equivalents is comprised of:					
Cash		**424,788**	105,097	**424,788**	105,097
		$ **424,788**	$ 105,097	$ **424,788**	$ 105,097

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Foran Mining Corporation (the "**Company**") is a public company listed on the Toronto Stock Exchange and OTCQX, incorporated under the laws of British Columbia. The Company is involved in activities that include the acquisition, exploration and development of mineral properties.

The Company's head office and registered and records office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized net loss of $346 for the nine months ended September 30, 2024 (nine months ended September 30, 2023: net loss of $7,719). As at September 30, 2024, the Company had an accumulated deficit of $73,426 (December 31, 2023: $73,080). In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting date.

The Company has incurred significant operating losses in its exploration and development operations, and its ability to continue as a going concern is dependent upon obtaining additional financing to complete the exploration and development of its projects and achieve future profitable production or receiving proceeds from the disposition of its projects. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for those assets and liabilities that are measured at fair value (Note 12) at the end of each reporting period and cash flow information.

The Board approved these condensed consolidated interim financial statements on November 7, 2024.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with IFRS Accounting Standards ("**IFRS**") as issued by the IASB.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The same accounting policies were used in the preparation of these condensed consolidated interim financial statements as those used in the most recent annual audited consolidated financial statements, except for the adoption of the new standards detailed below and the additional policies applied due to the Company's announcement that it had received approval from its Board of Directors (the "**Board**") for the construction of the McIlvenna Bay Project.

(a) Mineral properties, plant and equipment

(i) Property, plant and equipment

Property, plant and equipment, which includes buildings, plant, equipment, mobile equipment, furniture and fixtures and other equipment, are initially recorded at cost, including acquisition costs, any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of costs of dismantling and removing the asset. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses. Depreciation for these assets commences when available for use and is calculated using the straight-line method at rates which depreciate the cost of the assets, less their anticipated residual values, if any, over their estimated useful lives.

The following sets out the useful lives of certain assets that are depreciated using the straight-line basis:

- Mine Plant and buildings: Lesser of the life of the mine and 25 years
- Equipment and Machinery: 5 to 20 years
- Vehicles: 5 years
- Furniture and fixtures: 5 years
- Other plant and equipment: 5 years

Where an item of building, plant and equipment comprises major components with different useful lives, the components are depreciated separately but are grouped for disclosure purposes. Major overhaul expenditures and the cost of replacement of a major component are depreciated over the average expected period between major overhauls.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized in the Statements of (Income) Loss and Comprehensive (Income) Loss.

(ii) Assets under construction

Assets under construction include the costs of the construction of mining and processing facilities on a mineral property of which technical feasibility and commercial viability has been demonstrated.

Assets under construction are not considered to be available for use and are, therefore, not subject to depreciation. When an asset becomes available for use, its costs are transferred from assets under construction to mineral properties or property, plant and equipment, as appropriate.

(iii) Mineral properties

The cost of mineral properties includes acquisition, exploration, and development costs of mineral properties or property rights. The costs of increasing future output by providing access to additional sources of reserves or resources are capitalized up to the time the asset is ready for use.

Mineral properties are recorded at cost less accumulated depletion and impairment charges. When assets are ready for use as intended by management, mineral properties and mine development costs are amortized on a unit-of-production basis over the estimated life of the mine.

(iv) Borrowing costs

Borrowing costs related to the construction and development of assets are capitalized to qualifying assets and are included in assets under construction or mineral properties. Qualifying assets are identifiable assets that take a substantial time to prepare for the Company's intended use.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

For funds borrowed specifically to obtain or develop a qualifying asset, the amount capitalized will represent the actual borrowing costs incurred on the specific borrowings less any investment income earned on the temporary investment of those borrowings.

For funds obtained from general borrowings, the amount capitalized will be calculated using a weighted average of rates applicable to all borrowings during the period.

(b) Recently adopted accounting pronouncements.

The Company also adopted the amendments to IAS 1 *Classification of Liabilities as Current or Non-current*, which did not have a material impact on the condensed consolidated interim financial statements.

(c) Recently issued accounting pronouncements.

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 carries forward many of the requirements of IAS 1, but introduces significant changes to the structure of a company's statement of income (loss). The standard is applicable for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. The Company is currently evaluating the impact of the adoption of the standard.

3. USE OF JUDGMENT AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of judgments and estimates made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements of the Company, except for new judgements and estimates detailed below due to the Company's announcement that it had received approval from its Board for the construction of the McIlvenna Bay Project.

(a) Determination of technical feasibility and commercial viability

The determination of technical feasibility and commercial viability of a mineral property requires significant judgement and takes into account, among other factors, a combination of, the extent to which mineral reserves or mineral resources have been defined in a definitive feasibility study in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects; the results of any optimization studies and further technical evaluation carried out to mitigate project risks identified in the definitive feasibility study; the status of environmental permits; and the status of mining leases or permits.

4. RESTRICTED CASH

On August 9, 2024, the Company obtained a $19,300 letter of guarantee in support of its obligations related to Saskatchewan Power Corporation's construction of a hydropower transmission line. This letter of guarantee is secured by restricted cash of $5,800 and a performance security bond of $13,500 provided by Export Development Canada.

On August 15, 2024, the Company's surety bond to support a possible future reclamation and closure obligation in accordance with the approval to operate permit for the Company's McIlvenna Bay Project was reduced from $14,910 to $5,475 upon a review by the Saskatchewan Ministry of Environment. As a result, the amount of restricted cash required to be placed by the Company to secure the surety bond was reduced from $4,287 to $821.

5. PREPAID LEASE

Amounts recognized as prepaid lease relate to amounts advanced for the construction of a hydropower transmission line prior to the line being available for use at the Company's McIlvenna Bay Property.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

6. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is as follows:

	McIlvenna Bay	Other Saskatchewan Properties	Total
Balance, December 31, 2023	$ 244,647	$ 13,434	$ 258,081
Administration[(1)]	10,004	-	10,004
Surface prep and exploration decline	13,780	-	13,780
Camp costs	7,840	1	7,841
Consulting	524	7	531
Detailed engineering	10,375	-	10,375
Drilling	18,510	82	18,592
Early works	58,993	-	58,993
Community	554	-	554
Equipment	5,122	-	5,122
Geophysics	1,164	-	1,164
Permitting and licenses	637	-	637
Total exploration expenditures	127,503	90	127,593
Reclassification to mineral, property, plant and equipment[(2)]	(327,484)	-	(327,484)
Balance, September 30, 2024	$ 44,666	$ 13,524	$ 58,190

(1) Includes $952 (2023: $389) of share-based compensation

(2) In July 2024, the Company announced it had received Board approval for the construction of the 100% owned McIlvenna Bay Project.

McIlvenna Bay, Saskatchewan:

The Company owns a 100% interest in the McIlvenna Bay mineral property located in Saskatchewan, Canada ("**McIlvenna Bay**").

Certain claims that make up McIlvenna Bay are subject to a Net Tonnage Royalty ("**NTR**") of $0.75 per tonne of ore extracted.

Cameco Corporation and South32 Royalty Investments Pty Ltd. (formerly known as BHP Billiton Royalty Investments Pty Ltd) collectively hold a 1% net smelter return ("NSR") royalty interest on McIlvenna Bay, which can be repurchased by the Company at any time for $1,000.

Other Saskatchewan Properties:

The Company holds interests ranging from 65% to 100% in eight mining claims groups in its Saskatchewan property portfolio, exclusive of McIlvenna Bay ("**Other Saskatchewan Properties**").

The Company has committed, through previous mineral property ownership agreements associated with certain of its Other Saskatchewan Properties, to pay various NSR and net profits interest ("**NPI**") royalties. The NSR royalties range from 2% to 2.5%, with buyout provisions for up to one-half of some of these NSR royalties.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

7. MINERAL PROPERTY, PLANT AND EQUIPMENT

A summary of the changes in mineral property, plant and equipment is as follows:

	Mineral Properties	Assets Under Construction	Property, Plant and Equipment	Total
Cost				
Balance, December 31, 2023	$ -	$ -	$ -	$ -
Reclassification from exploration and evaluation assets[1]	130,329	197,155	-	327,484
Transfers	-	(22,318)	22,318	-
Additions	8,157[2]	89,711	-	97,868
Balance, September 30, 2024	$ 138,486	$ 264,548	$ 22,318	$ 425,352
Accumulated depreciation				
Balance, December 31, 2023	$ -	$ -	$ -	$ -
Additions	-	-	240	240
Balance, September 30, 2024	$ -	$ -	$ 240	$ 240
Net book value				
Balance, December 31, 2023	$ -	$ -	$ -	$ -
Balance, September 30, 2024	$ 138,486	$ 264,548	$ 22,078	$ 425,112

(1) In July 2024, the Company announced it had received Board approval for the construction of the 100% owned McIlvenna Bay Project.

(2) Includes $2,439 of decommissioning obligation adjustment, $1,475 of capitalized borrowing costs, $363 share-based compensation expense and $240 of depreciation

As at September 30, 2024, accounts payable and accrued liabilities included $45,094 related to construction expenditures. As at December 31, 2023 accounts payable accrued liabilities included $24,766 related to exploration and evaluation expenditures.

As at September 30, 2024, advances to suppliers of $6,354 (December 31, 2023: $7,034) related primarily to equipment to be used in construction activities, which is expected to be delivered within the next 12 to 24 months.

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

Balance, December 31, 2023	$	7,084
Premium on issuance of flow-through shares (Note 11)		11,767
Reduction due to qualifying expenditures		(9,769)
Balance, September 30, 2024	$	9,082

As at September 30, 2024, the Company is required to spend $23,153 of qualifying exploration expenditures by December 31, 2025 to satisfy the remaining flow-through share premium liability of $9,082.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

9. SHARE-BASED PAYMENT LIABILITIES

The Company has a long-term incentive plan ("**LTIP**") that allows the Company to grant various awards, including Deferred Share Units ("**DSUs**") and Restricted Share Units ("**RSUs**") to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding.

A continuity of the changes in the DSUs outstanding is as follows:

	Number of units		Value
Outstanding, December 31, 2023	1,792,375	$	6,991
Granted	75,000		293
Exercised	(75,000)		(310)
Revaluation	-		536
Outstanding, September 30, 2024	1,792,375	$	7,510

A continuity of the changes in the RSUs outstanding is as follows:

	Number of units		Value
Outstanding, December 31, 2023	236,667	$	669
Granted	207,500		-
Settled	(99,167)		(409)
Revaluation	-		606
Outstanding, September 30, 2024	345,000	$	866
Total share-based payment liabilities outstanding, September 30, 2024	2,137,375	$	8,376

10. CREDIT FACILITIES

A continuity of the changes in the Credit Facilities outstanding is as follows:

		Senior Credit Facility[(a)(1)]		Equipment Finance Facility[(b)]	Total
Outstanding, December 31, 2023	$	38,222	$	-	38,222
Principal amount drawn-down		-		16,132	16,132
Principal amount repaid		-		(370)	(370)
Deferred interest		4,366		-	4,366
Amortization of deferred financing charges		496		-	496
Foreign exchange (gain) loss		765		-	765
Balance, September 30, 2024	$	43,849	$	15,762	59,611

(1) As at September 30, 2024, the Company has drawn US$29,500 of principal and accumulated US$7,093 of deferred interest.

Credit facilities - Current	3,201
Credit facilities - Non-Current	56,410

(a) Senior Credit Facility

The Company's senior secured project credit facility ("**Senior Credit Facility**") includes the following key terms:

- US$150 million non-revolving facility with a maturity date of September 30, 2030.
- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Term 3 Month Secured Overnight Financing Rate ("**SOFR**") and 2.00% ("**Interest Rate Floor**") per annum. Interest costs may be deferred and capitalized until the end of the availability period, which is to be either 18 months following the Company meeting certain drawdown conditions or June 30, 2025, whichever is earlier. After the Availability Period ceases, any remaining undrawn funds may, at the lender's discretion, be deposited into a blocked proceeds account, which would be available to the Company subject to certain conditions.

- Quarterly principal repayments will commence on June 30, 2026, in the amount of 4% of the outstanding principal balance at each repayment date.
- The Company may elect to prepay the outstanding principal amount in whole, including all accrued interest, at any time subsequent to December 20, 2025 (the "**Voluntary Prepayment Option**"). The Company would incur a premium of between 3% and 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 20, 2027, and a 0% premium thereafter.
- The Company's obligations under the Senior Credit Facility are guaranteed by the realizable value of the Company's assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all covenants contained in the Senior Credit Facility as at September 30, 2024.

(b) Equipment Finance Facility

On September 7, 2023, the Company announced it secured an equipment finance arrangement ("**Equipment Finance Facility**") with Sandvik Financial Services Canada. The Equipment Finance Facility is intended to cover the initial battery electric vehicle mining fleet and essential components such as charging stations and batteries used for the continued exploration, development and operation of the McIlvenna Bay Project. The Equipment Finance Facility contains the following key terms:

- Up to $67 million in draws, which will be initiated, at the Company's election, as equipment is delivered to the project site.
- Interest shall accrue at a fixed rate of 3.20% per annum plus the 5-year Canadian overnight index swap rate at the date of the draw.
- Interest and principal repayments on drawn amounts will commence immediately over a 60-month period.

11. SHARE CAPITAL

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares, non-voting shares and preference shares with no par value. At September 30, 2024, 392,611,736 common shares and 27,777,778 non-voting shares were issued and outstanding.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

The subscription agreement entered into between the Company and affiliates of Fairfax Financial Holdings Limited (collectively, "**Fairfax**") in 2021, contains certain restrictions on the conversion of the 27,777,778 non-voting shares held by Fairfax. Such non-voting shares can only be converted to common shares upon a change of control event or upon disposal of the non-voting shares by Fairfax.

(b) Private placement financings

On August 8, 2024, the Company completed the first tranche of a private placement financing totaling 68,465,540 common shares for gross proceeds of $289,053. The Company issued 63,963,666 common shares at a price of $4.05 per share for gross proceeds of $259,053, 2,906,977 common shares on a flow-through basis at a price of $6.88 per flow-through share for gross proceeds of $20,000 and 1,594,897 common shares on a flow-through basis at a price of $6.27 per flow-through share for gross proceeds of $10,000. On September 17, 2024, the Company completed the second tranche of a private placement financing totaling 17,518,713 common shares at a price of $4.05 per share for gross proceeds of $70,951. Share issue costs totaled $3,986.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $11,767 of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $18,233 to share capital.

On March 27, 2023, the Company completed a private placement financing totaling 24,687,300 common shares for gross proceeds of $100,000. The Company issued 20,270,300 common shares at a price of $3.70 per share for gross proceeds of $75,000 and 4,417,000 common shares on a flow-through basis at a price of $5.66 per flow-through share for gross proceeds of $25,000. Share issue costs totaled $4,971.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $8,657 of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $16,343 to share capital.

(c) Stock options

The Company's LTIP allows the Company to grant various awards, including stock options, to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding. The exercise price, term and vesting period of each option are determined by the Board of Directors within regulatory guidelines.

A continuity of the stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2023	16,148,335	$ 1.39
Granted	2,217,500	3.98
Exercised	(1,864,003)	1.09
Forfeited	(279,998)	3.43
Outstanding, September 30, 2024	16,221,834	1.74

The fair value of the stock options that were granted during the nine months ended September 30, 2024 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	2.76%-3.88%
Expected stock price volatility	74%
Expected dividend yield	0.0%
Expected option life in years	5.0

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

The following stock options were outstanding as at September 30, 2024:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
200,000	200,000	$0.34	December 10, 2024	0.19
675,000	675,000	$0.09	April 3, 2025	0.51
6,000,000	6,000,000	$0.20	November 7, 2025	1.10
64,400	64,400	$1.15	April 5, 2026	1.51
975,000	975,000	$1.05	April 21, 2026	1.56
600,000	600,000	$1.33	May 5, 2026	1.59
8,333	8,333	$2.13	September 13, 2026	1.95
200,000	200,000	$2.02	September 28, 2026	1.99
125,000	125,000	$2.43	October 18, 2026	2.05
200,000	133,333	$2.22	January 31, 2027	2.34
1,681,603	1,096,603	$2.35	March 17, 2027	2.46
250,000	183,333	$2.02	May 16, 2027	2.62
75,000	50,000	$2.47	June 16, 2027	2.71
13,333	6,666	$2.46	August 22, 2027	2.89
25,000	16,667	$2.48	September 19, 2027	2.97
16,666	-	$2.25	October 24, 2027	3.07
1,319,999	430,000	$3.34	January 20, 2028	3.31
200,000	66,667	$3.22	February 23, 2028	3.40
400,000	133,333	$3.43	May 11, 2028	3.61
100,000	50,000	$3.42	June 1, 2028	3.67
25,000	8,333	$3.72	May 1, 2028	3.59
150,000	50,000	$3.54	July 11, 2028	3.78
125,000	41,667	$3.88	August 23, 2028	3.90
30,000	10,000	$3.90	August 30, 2028	3.92
250,000	-	$3.89	September 21, 2028	3.98
250,000	-	$4.33	November 1, 2028	4.09
175,000	-	$4.02	December 8, 2028	4.19
50,000	-	$4.15	January 29, 2029	4.33
1,582,500	-	$3.91	March 1, 2029	4.42
125,000	-	$4.13	March 11, 2029	4.45
200,000	-	$4.50	May 29, 2029	4.66
100,000	-	$3.95	July 8, 2029	4.77
30,000	-	$3.68	September 3, 2029	4.93
16,221,834	11,124,335	$1.74		2.22

(d) Share purchase warrants

The following warrants were outstanding at September 30, 2024:

Warrants outstanding and exercisable	Expiry Date	Weighted average exercise price
5,714,285	November 25, 2025	0.25

12. FINANCIAL INSTRUMENTS

The Company examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Company under policies and directions approved by the Board. Relevant policies include the Treasury Management Policy and the approval allowing a portion of the Company's cash to be held in US dollars at the discretion of the Chief Executive Officer and the Chief Financial Officer. The Board monitors these policies on an annual basis. The Company's Board has not approved the use of derivative financial products.

(a) Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value as described below:

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

Level 2 – inputs other than quoted market prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

Financial Instruments	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable and other	Amortized cost
Investments	Fair value through other comprehensive income
Restricted cash	Amortized cost
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Credit Facilities	Amortized cost
Embedded derivative in the Senior Credit Facility	Fair value through profit and loss

The fair value of the Company's financial instruments carried at amortized cost approximates their carrying values due to their short-term nature or, in the case of the credit facilities, due to the instrument bearing interest at a rate that approximates a market rate of interest.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligation. The credit risk associated with cash and cash equivalents and restricted cash is minimized as these financial instruments are held with major Canadian commercial banks. In respect of accounts receivable, the Company is not exposed to significant credit risk as the majority consists of amounts due from Canadian governmental agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

A maturity analysis of the Company's financial liabilities, including interest, and its contractual commitments is set out below:

(*Millions of dollars*)	Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	51.0	51.0	-	-	-
Leases	17.0	14.7	2.3	-	-
Construction commitments[1]	117.5	117.5	-	-	-
Credit Facilities	65.2	5.2	16.3	18.0	25.7

(1) Certain contractual commitments may contain cancellation clauses; however, the Company discloses its commitments based on management's intent to fulfill the contracts.

As at September 30, 2024, the Company is required to spend $23,153 of qualifying exploration expenditures by December 31, 2025 to satisfy the remaining flow-through share premium liability of $9,082.

(d) Market risk

(v) 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 is exposed to interest rate risk through the interest accrued on the Credit Facilities and interest earned on cash and cash equivalents. A 1% change in short-term interest rates would not have a material impact on net loss or comprehensive loss.

(vi) 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 currency exchange rates. The Company is exposed to foreign currency risk in terms of its US-denominated cash (US$4,700) and Senior Credit Facility (US$36,600). A 10% change in foreign currency exchange rates would result in a $4,700 change to other (income) expenses.

(vii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risks in terms of its investments, DSUs and RSUs. A 10% change in market prices would not have a material impact on net loss or comprehensive loss.

(Expressed in thousands of Canadian dollars, except share information or as otherwise indicated)

13. OTHER (INCOME) EXPENSE

The composition of the Other (income) expense for the three and nine months ended September 30, 2024 and 2023 is as follows:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest income	$ (2,364)	$ (1,347)	$ (7,697)	$ (3,036)
Interest expense(1)	322	1,485	3,542	4,040
Foreign exchange (gain) loss	(496)	586	837	277
Flow-through share premium	(3,284)	(2,305)	(9,770)	(3,482)
Other	(253)	-	(281)	(32)
Total	$ (6,075)	$ (1,581)	$ (13,369)	$ (2,233)

(1) The Company began capitalizing interest expenses as Mineral Properties as a result of the Board's approval of the construction of the 100% owned McIlvenna Bay Project in July 2024.

14. RELATED PARTY TRANSACTIONS

Key management personnel at the Company are the current Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The Company's related party transactions for the three and nine months ended September 30 were as follows:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term benefits(1)	$ 1,388	$ 476	$ 2,743	$ 1,492
Directors' fees(2)	62	54	174	179
Share-based payment expense (recovery)(3)	1,350	1,310	3,759	4,116
Total	$ 2,800	$ 1,840	$ 6,676	$ 5,787

(1) Short-term benefits consist of salaries and bonuses for key management personnel and fees paid to Gorilleo Advisors Limited, a company controlled by the CEO.
(2) Directors' fees consist of cash retainers paid to the directors.
(3) Share-based payment expense consists of the grant and revaluation of RSUs, DSUs and stock options issued to management personnel.

15. SUBSEQUENT EVENTS

On July 15, 2024, the Company announced that a term sheet had been signed with Sprott Resource Lending Corp. ("**Sprott**") to amend and restate the Company's existing Senior Credit Facility in its entirety and upsize it from US $150 million to US $250 million (the "**Amended Credit Facility**").

On October 2, 2024, the Company announced the closing of the Amended Credit Facility. Upon closing, the Company received an advance of US$28 million, bringing the total advances to date under the Amended Credit Facility to US$57.5 million, exclusive of deferred interest. Additionally, and in accordance with the Amended Credit Facility, gross proceeds of US$100 million have been advanced to a debt proceeds account ("DPA"), net of 3% transaction costs. Funds advanced to the DPA will accumulate interest immediately and proceeds from the DPA will be released to the Company upon satisfaction of certain release conditions.

The Company will be able to draw against the Amended Credit Facility up until the end of the availability period on March 31, 2026. The Company expects to recognize the funds within the DPA as restricted cash within its statement of financial position. Interest shall accrue at an unchanged floating rate equal to 6.95% per annum plus the greater of

(i) three-month term SOFR and (ii) 2.00% per annum. Interest is payable quarterly, and 100% of interest costs may be deferred until March 31, 2026. The Company shall also pay annual anniversary interest to Sprott beginning in the first quarter of 2027, equal to 2.00% of the aggregate outstanding facility balance, inclusive of all deferred interest, on the payment date. The anniversary interest is payable in cash or shares at the Company's election and is not due as of and from either a change of control of the Company or any potential refinancing of the facility. Principal repayments will commence on June 30, 2027, and the Company shall pay to Sprott equal repayments of the principal amount of the Amended Credit Facility, including deferred interest and other costs, in an amount equal to 2.65% of the outstanding principal amount of the Amended Credit Facility on a quarterly basis until June 30, 2031. The remainder of the scheduled principal payments are due upon the maturity date of September 30, 2031 (the "Maturity Date").

Additionally, Sprott has the right to sweep proceeds received by the Company from any investment tax credits ("ITC") received up to a total of US$100 million. Any ITC sweep repayments shall be applied as principal payments against scheduled amortization payments, in reverse order of the Maturity Date, and shall only occur after the Company has received US$25 million of potential ITC proceeds.