C3 Metals Inc.

(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine month periods ended May 31, 2024 and 2023

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of C3 Metals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors has reviewed and approved these condensed consolidated interim financial statements.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements.

C3 Metals Inc.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

(expressed in Canadian dollars)

	May 31, 2024 $	August 31, 2023 $
Assets		
Current assets:		
Cash and cash equivalents	2,566,794	2,832,823
Restricted deposits (note 4)	51,732	50,788
Amounts receivable (note 5)	88,562	37,618
Prepaid expenses	116,230	154,646
Marketable securities (note 6)	28,125	53,125
	2,851,443	3,129,000
Equipment	91,985	107,444
Exploration advances (note 7)	26,648	573,836
Exploration and evaluation assets (note 8)	58,179,542	51,526,672
	58,298,175	52,207,952
Total assets	61,149,618	55,336,952
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	405,059	482,146
Total liabilities	405,059	482,146
Shareholders' equity		
Capital stock (note 9)	75,284,405	67,435,582
Contributed surplus	6,152,468	5,949,496
Accumulated deficit	(22,261,153)	(20,385,675)
Accumulated other comprehensive income	1,568,839	1,855,403
Total shareholders' equity	60,744,559	54,854,806
Total liabilities and shareholders' equity	61,149,618	55,336,952

Going concern (note 1)

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

Approved by the Board of Directors:

/s/ Antony Manini
Director

/s/ Kimberly Ann Arntson
Director

C3 Metals Inc.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss (Unaudited)

(expressed in Canadian dollars)

	Three months ended May 31, 2024 $	Three months ended May 31, 2023 $	Nine months ended May 31, 2024 $	Nine months ended May 31, 2023 $
Expenses				
Promotion and investor relations	208,460	52,696	537,580	448,958
Regulatory authority and transfer agent fees	16,306	17,091	58,035	48,323
Legal, accounting, audit and financial advisory	67,309	41,615	192,923	120,284
Office, general and administrative	315,925	327,185	988,896	1,042,809
Share based compensation (note 9)	43,000	108,342	128,066	341,472
Total expenses	651,000	546,929	1,905,500	2,001,846
Other expenses (income)				
Interest income	(35,819)	(19,405)	(117,685)	(62,431)
Loss (gain) on marketable securities (note 6)	(3,125)	6,250	25,000	61,575
Foreign exchange loss	1,706	12,384	62,663	41,999
Total other expenses (income)	(37,238)	(771)	(30,022)	41,143
Net loss for the period	613,762	546,158	1,875,478	2,042,989
Other comprehensive (income) loss				
Items that may be subsequently reclassified to net loss				
Foreign currency translation adjustment	(615,327)	(703,773)	286,564	(1,787,561)
Total comprehensive loss (income) for the period	(1,565)	(157,615)	2,162,042	255,428
Loss per common share:				
Basic and diluted	0.01	0.01	0.03	0.05
Weighted average number of common shares outstanding:				
Basic and diluted	61,884,802	45,346,348	59,463,411	45,346,348

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

C3 Metals Inc.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(expressed in Canadian dollars)

	Capital stock[1]		Warrants[1]		Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	#	$	#	$	$	$	$	$
Balance, August 31, 2023	53,038,655	67,435,582	-	-	5,949,496	(20,385,675)	1,855,403	54,854,806
Net loss for the period	-	-	-	-	-	(1,875,478)	-	(1,875,478)
Foreign currency translation adjustment	-	-	-	-	-	-	(286,564)	(286,564)
Total comprehensive loss for the period	-	-	-	-	-	(1,875,478)	(286,564)	(2,162,042)
Non-brokered private placement of shares (note 9)	8,846,147	8,050,000	-	-	-	-	-	8,050,000
Share issue costs (note 9)	-	(201,177)	-	-	-	-	-	(201,177)
Stock option compensation charge (note 9)	-	-	-	-	202,972	-	-	202,972
	8,846,147	7,848,823	-	-	202,972	(1,875,478)	(286,564)	5,889,753
Balance, May 31, 2024	61,884,802	75,284,405	-	-	6,152,468	(22,261,153)	1,568,839	60,744,559
Balance, August 31, 2022	45,346,348	62,570,390	400,000	66,390	5,262,413	(19,458,403)	84,005	48,524,795
Net loss for the period	-	-	-	-	-	(2,042,989)	-	(2,042,989)
Foreign currency translation adjustment	-	-	-	-	-	-	1,787,561	1,787,561
Total comprehensive income (loss) for the period	-	-	-	-	-	(2,042,989)	1,787,561	(255,428)
Non-brokered private placement of shares (note 9)	7,692,307	5,000,000	-	-	-	-		5,000,000
Share issue costs (note 9)	-	(134,808)	-	-	-	-	-	(134,808)
Restricted share unit compensation charge (note 9)	-	-	-	-	84,000	-	-	84,000
Stock option compensation charge (note 9)	-	-	-	-	257,472	-	-	257,472
Expiry of warrants (note 9)	-	-	(400,000)	(66,390)	66,390	-	-	-
	7,692,307	4,865,192	(400,000)	(66,390)	407,862	(2,042,989)	1,787,561	4,951,236
Balance, May 31, 2023	53,038,655	67,435,582	-	-	5,670,275	(21,501,392)	1,871,566	53,476,031

[1] Number of issued common shares and warrants have been retroactively adjusted for the Share Consolidation effected on December 19, 2023 (see note 9).

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

C3 Metals Inc.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

(expressed in Canadian dollars)

	Nine months ended May 31, 2024 $	Nine months ended May 31, 2023 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(1,875,478)	(2,042,989)
Items not affecting cash:		
Loss on marketable securities (note 6)	25,000	61,575
Depreciation of equipment	5,829	326
Gain on sale of equipment	(3,548)	-
Share based compensation (note 9)	128,066	341,472
Interest income received on restricted deposits	(944)	318
Change in working capital items:		
Amounts receivable	(47,038)	75,176
Prepaid expenses	38,416	(129,446)
Accounts payable and accrued liabilities	(336,426)	(802,130)
	(2,066,123)	(2,495,698)
Investing activities		
Proceeds from sale of marketable securities (note 6)	-	271,211
Proceeds from sale of equipment	22,132	-
Purchase of equipment	(27,952)	(58,267)
Exploration and evaluation assets (note 8)	(6,018,261)	(5,995,148)
	(6,024,081)	(5,782,204)
Financing activities		
Issuance of common shares (note 9)	8,050,000	5,000,000
Share issue costs	(201,177)	(134,808)
	7,848,823	4,865,192
Effect of exchange rate changes on cash	(24,648)	36,415
Net change in cash and cash equivalents	(266,029)	(3,376,295)
Cash and cash equivalents - Beginning of period	2,832,823	7,302,637
Cash and cash equivalents - End of period	2,566,794	3,926,342

Supplemental cash flow information (note 14)

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

(expressed in Canadian dollars)

1. Nature of operations and going concern

General information

On July 31, 2020, the company changed its name to C3 Metals Inc. (referred to herein collectively with its subsidiaries as the "Company") from Carube Copper Corp. Additionally, the Company's ticker symbol on the TSX Venture Exchange ("TSX-V") was changed to CCCM. On June 18, 2015, Miocene Resources Limited ("Miocene") completed a reverse takeover with Carube Resources Inc. (CRI). On July 7, 2015, the Company commenced trading on the TSX-V under the former name Carube Copper Corp.

C3 Metals Inc. is an exploration stage junior mining company. Since November of 2009, the Company has been engaged in the identification, acquisition, evaluation and exploration of mineral properties. The Company has not determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's registered office is located at 69 Yonge Street, Suite 200, Toronto, Ontario, Canada where it is domiciled. The Company's subsidiaries include: Carube Resources Inc., domiciled in Toronto, Canada; Carube Resources Jamaica Limited and Rodinia Jamaica Limited, which are both domiciled in Kingston, Jamaica; Latin America Resource Group Limited, domiciled in Toronto, Canada; C3 Metals Peru S.A.C. (formerly KA Oro S.A.C.) and Molino Azul S.A.C., which are both domiciled in Lima, Peru. The Company has a 50% interest in the Super Block project (see note 8).

On December 19, 2023, the Company effected the consolidation of all of its issued and outstanding common shares on the basis of one post-consolidation share for every thirteen pre-consolidation shares previously held (the "Share Consolidation"). This resulted in 804,504,235 pre-consolidation shares being consolidated to 61,884,802 post-consolidation shares. Additionally, the exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in these condensed consolidated interim financial statements have been retroactively adjusted to reflect the Share Consolidation.

Going concern

These condensed consolidated interim financial statements have been prepared using IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

From inception to date, the Company has incurred losses from operations and has had negative cash flows from operating activities. As at May 31, 2024, the Company had working capital of $2,446,384 (August 31, 2023 - $2,646,854). Given the Company's plans for significant exploration expenditures on its projects during fiscal 2024, existing funds on hand at period end are not sufficient to support planned exploration costs, costs of acquiring new exploration properties or ongoing corporate costs over the coming year. These conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. The Company will require additional funding to be able to advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; or, the sale of property assets in the future.

There is no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to management.

These condensed consolidated interim financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant accounting policies

Statement of compliance with IFRS Accounting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34), *Interim Financial Reporting*, using accounting policies consistent with IFRS Accounting Standards.

These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the years ended August 31, 2023 and 2022 which have been prepared in accordance with IFRS Accounting Standards. These financial statements were approved by the board of directors for issue on July 26, 2024.

General information and basis of consolidation

C3 Metals Inc. was incorporated under the *Business Corporations Act (Ontario)* on March 29, 2010. The Company completed a reverse takeover with CRI on June 18, 2015. Carube Resources Inc. was incorporated under the *Business Corporations Act (Ontario)* on August 2, 2007 under the name 2144321 Ontario Inc. and was inactive until October 2009 at which time its name was changed to CRI. On March 31, 2011, CRI incorporated Carube Resources Jamaica Limited (CRJL), a wholly-owned Jamaican subsidiary, in order for it to hold the Bellas Gate project mineral exploration licences and to conduct business as operator of the project. On March 31, 2012, CRI acquired all of the outstanding shares of Rodinia Jamaica Limited (RJL or Rodinia) in exchange for common shares of CRI. RJL held title to four Special Exclusive Prospecting Licenses (SEPLs) in Jamaica. On February 26, 2020, the Company acquired all of the outstanding shares of Latin America Resource Group Limited (LARG) along with its wholly-owned Peruvian subsidiary, KA Oro S.A.C., which has been renamed C3 Metals Peru S.A.C. (C3 Peru). On June 7, 2021, Molino Azul S.A.C. (Molino) was incorporated to hold additional property interest in Peru.

The Company's financial statements consolidate those of the parent company and each of its 100% wholly-owned subsidiaries CRI, CRJL, RJL, LARG, C3 Peru and Molino. All inter-company balances and transactions are eliminated upon consolidation. The condensed consolidated interim financial statements are expressed in Canadian dollars and are prepared using the historical cost method.

(expressed in Canadian dollars)

Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2023.

3. Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared using accounting policies that are consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the years ended August 31, 2023 and 2022 except as described in the notes to these condensed consolidated interim financial statements and as described below.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company considers whether a joint arrangement is a joint operation or joint venture. The parties to a joint operation have the rights to the underlying assets and are exposed to the underlying liabilities of the joint arrangement. The Company accounts for an investment in a joint operation by consolidating the operation's underlying assets, liabilities, revenues and expenses in proportion to its participating interest. The parties to a joint venture have an interest in the underlying net assets of the joint arrangement. Investments in joint ventures are accounted for using the equity method. The equity method involves recording the initial investment at cost. Additional funding into a joint venture is recorded as an increase in the carrying value of the investment. The carrying amount is adjusted by the Company's share of post-acquisition net income or loss, dilution gains or losses (resulting from changes in ownership interest), depreciation or amortisation.

An associate is an entity over which the Company has significant influence, but not control. Investments in associates are also accounted for using the equity method.

If a company has joint control over the arrangement, an assessment of whether the arrangement is a joint venture or joint operation is required. This assessment is based on whether a company has rights to the assets and obligations for the liabilities relating to the arrangement or whether a company has rights to the net assets of the arrangement. In making this determination, the Company reviews the legal form of the arrangement, the terms of the contractual arrangement and other facts and circumstances. In a situation where the legal form and the terms of the contractual arrangement do not give the Company rights to the assets and obligations for the liabilities, an assessment of other facts and circumstances is required, including whether the activities of the arrangement are primarily designed for the provision of output to the parties and whether the parties are substantially the only source of cash flows contributing to the arrangement. The consideration of other facts and circumstances may result in the conclusion that a joint arrangement is a joint operation. This conclusion requires judgment and is specific to each arrangement.

New and revised accounting standards

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (Committee) that are mandatory for accounting years beginning on or after January 1, 2023. They are not applicable or do not have a significant impact on the Company.

4. Restricted deposits

The Company has established a corporate credit card account for the payment of travel, corporate costs and exploration expenditures. An amount of $51,732 (August 31, 2023 - $50,788) held in a guaranteed investment certificate has been pledged as collateral for the maximum credit limit on this credit card account.

5. Amounts receivable

Amounts receivable of $88,562 (August 31, 2023 - $37,618) is comprised of harmonized sales tax (HST) receivable in Canada of $31,580, a value of $54,249 receivable from Geophysx Jamaica Ltd ("Geophysx) under the terms of the Joint Arrangement Agreement (see note 8) and other sundry receivables of $2,733.

6. Marketable securities

	Level 1 $	Level 3 $	Total $
Balance, August 31, 2022	326,536	-	326,536
Value of shares received	-	75,000	75,000
Reclassification of investment	75,000	(75,000)	-
Cash proceeds from sale of shares	(271,211)	-	(271,211)
Loss on revaluation of marketable securities	(77,200)	-	(77,200)
Balance, August 31, 2023	53,125	-	53,125
Loss on revaluation of marketable securities	(25,000)	-	(25,000)
Balance, May 31, 2024	28,125	-	28,125

(expressed in Canadian dollars)

Tocvan Ventures Corp.

During fiscal 2023, the Company sold its remaining 583,100 common shares held in Tocvan Ventures Corp. ("Tocvan") realizing cash proceeds from sale of $271,211. As at May 31, 2024, the Company had no remaining investment in the common shares of Tocvan. These shares were classified as fair value through profit and loss as a level 1 investment and were recorded at fair value using the quoted market price of Tocvan's common shares on the Canadian Securities Exchange.

Cascade Copper Corp.

During September 2022, the Company received 625,000 Cascade Copper Corp. ("Cascade Copper") common shares in connection with its sale of the Rogers Creek project to Tocvan (see note 8). These shares are classified as an investment valued at fair value through profit and loss and were initially recorded as a level 3 investment based on the prelisting financing price of Cascade Copper. Cascade Copper completed its public listing on the Canadian Securities Exchange ("CSE") during April 2023. At this time, the investment was reclassified as a level 1 investment and was recorded at fair value using the quoted market price of Cascade Copper on the CSE. As at May 31, 2024, the Company continued to hold 625,000 Cascade Copper common shares.

7. Exploration advances

Exploration advances of $26,648 (August 31, 2023 - $573,836) is comprised of miscellaneous prepaid exploration costs and will be capitalised to exploration and evaluation assets as they are incurred.

8. Exploration and evaluation assets

	Jasperoide (Peru) $	Bellas Gate (Jamaica) $	Rodinia and Other Licenses (Jamaica) $	Super Block (Jamaica) $	Total $
Balance, August 31, 2022	**30,639,927**	**8,301,931**	**2,242,233**	**-**	**41,184,091**
Licence acquisition and renewal fees	62,512	391	811	-	63,714
Cash paid for La Bruja option agreement	278,983	-	-	-	278,983
Geology and general field costs	1,307,070	1,109,647	1,430,931	-	3,847,648
Geochemical	-	3,923	315	-	4,238
Geophysical	325	-	-	-	325
Drilling and related	119,759	1,987,433	1,078,191	-	3,185,383
Environmental	75,820	32,042	40,104	-	147,966
Community and social development	549,940	126,700	116,287	-	792,927
Health and safety	120,122	33,328	413	-	153,863
IVA tax on exploration expenditures	127,340	-	-	-	127,340
Translation to presentation currency	1,694,051	42,240	3,903	-	1,740,194
Balance, August 31, 2023	**34,975,849**	**11,637,635**	**4,913,188**	**-**	**51,526,672**
Licence acquisition and renewal fees	204,021	199	414	22	204,656
Geology and general field costs	304,002	1,134,948	180,848	101,686	1,721,484
Drilling and related	42,666	4,287,921	74,282	24,602	4,429,471
Environmental	37,753	40,110	5,662	5,650	89,175
Community and social development	163,432	156,379	9,914	8,364	338,089
Health and safety	22,911	35,274	352	891	59,428
IVA tax on exploration expenditures	48,660	-	-	-	48,660
Translation to presentation currency	(264,745)	23,751	2,901	-	(238,093)
Balance, May 31, 2024	**35,534,549**	**17,316,217**	**5,187,561**	**141,215**	**58,179,542**

Jasperoide project, Peru
The Company holds a 100% beneficial interest in 57 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 59 concessions are located in the Andahuaylas-Yauri belt of Peru and comprise the Jasperoide copper-gold project. The Jasperoide project concessions cover a total area of 29,880 hectares. During the year ended August 31, 2023, the Company applied for and was awarded an additional two exploration concessions for which the Company is now awaiting official title. Once official title is granted on the additional two exploration concessions, the total Jasperoide project area could increase to 30,080 hectares. On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG. At that time, LARG's subsidiary C3 Peru held a 100% beneficial interest in eight exploration concessions and had two option agreements to earn a potential 100% in five additional concessions. On July 13, 2021, the Company entered into a binding Heads of Agreement to acquire 100% of Hochschild Mining PLC's ("Hochschild") interest in the Jasperoide project relating to three concessions subject to an option agreement. This transaction to consolidate the ownership in Jasperoide was closed during October 2021 (see below).

(expressed in Canadian dollars)

During fiscal 2022, the Company entered into four different purchase agreements with various Peruvian companies or individuals to acquire six mining concessions covering a total area of 970 hectares. Full legal title was transferred to the Company during fiscal 2022 and at February 29, 2024, the amounts outstanding have been paid in full, except for a payment of US$80,000 that becomes payable on or before November 2024 which has been accrued for. Of the concessions acquired, three concessions are subject to a 0.5% net smelter return ("NSR") royalty up to a maximum amount of US$300,000. The Company has a right to repurchase the NSR royalty at any time for US$300,000.

La Bruja
Two concessions are subject to an option agreement with Inversiones La Bruja S.A.C. ("La Bruja"), where the Company can earn a 100% interest in the equity shares of La Bruja subject to minimum exploration expenditures of US$2,000,000 and total cash option payments of US$2,000,000. Between June 2020 and February 2024, amending agreements to adjust the timing of cash option payments and exploration expenditure requirements were concluded. Cash option payments totalling US$950,000 have been provided to May 31, 2024, including $278,983 (US$200,000) paid during August 2023. A total balance of US$1,100,000 in future cash payments are required on or before the following dates: US$30,000 by August 31, 2024; US$50,000 by December 31, 2024; US$250,000 by August 31, 2025; US$350,000 by August 31, 2026; and, US$420,000 by August 31, 2027. As at February 29, 2024, cumulative exploration expenditures incurred exceeded the total minimum requirement of US$2,000,000. Following the earn-in of a 100% interest in the concessions a NSR royalty of 1.5% would be payable to the former shareholders of La Bruja.

Ares
Three concessions were subject to an option agreement with Compania Minera Ares S.A.C. ("Ares") where the Company had the right to earn an initial 51% interest in these concessions. During Fiscal 2022, the Company concluded a binding Heads of Agreement and acquired 100% of Hochschild's interest in the three concessions. In connection with the acquisition, the Company granted a 2% NSR royalty in favour of Ares in respect of the Ares mineral concessions subject to the right of the Company to purchase 1% of the NSR (thereby reducing the NSR to 1%) for a price of US$1,000,000 at any time, replacing the previously granted 1.5% net smelter returns royalty that had no buy back provision. In addition, the 2% NSR royalty applies to a five kilometre area of interest from the borders of the three concessions.

Bellas Gate property agreements, Jamaica

OZ Minerals Ltd. agreement

During September 2016, the Company announced it had finalized a Heads of Agreement ("HoA") with OZ Minerals Ltd., an Australian copper-gold producer listed on the Australian Securities Exchange ("OZ Minerals"), to acquire all of OZ Minerals' property holdings in Jamaica including the 70% interest that OZ Minerals had earned from the Company in January 2016 in the Bellas Gate Project and five licences covering 276 square kilometres which OZ Minerals had acquired directly in 2014. Additionally, the Company retained a 100% interest in the Above Rocks project as OZ Minerals elected not to proceed with the prior joint venture earn-in. A definitive legal agreement incorporating the terms of the HoA was concluded in January 2017.

Under the terms of the definitive agreement, for the acquisition of the 70% interest in the Bellas Gate Project the Company is obligated to: (i) pay OZ Minerals $8.5 million within one year of commencement of commercial production at Bellas Gate; (ii) pay OZ Minerals an additional $4 million within two years of commencement of commercial production; and, (iii) grant OZ Minerals a 2% NSR with a buyback right of two-thirds of the NSR for $1.3 million with any NSR payments capped at a maximum amount of $20 million.

Additionally, the Company acquired a 100% interest in the five OZ Minerals licences consisting of the Arthur's Seat, Berkshire Hall, Mount Ogle, Shirley Castle and Windsor Castle Special Exclusive Prospecting Licences (SEPLs). Under the terms of the January 2017 agreement the Company was obligated to provide OZ Minerals a single payment of $1.5 million within one year of commencement of commercial production on any of the five licences. Each of the licences was subject to a 2% NSR with a buyback of one-half of the NSR for $500,000. During May 2019, the Company completed amendments to the agreement with OZ Minerals to: (i) waive the $1.5 million payment within one year of commencement of commercial production if the mineral product is less than 10,000 tonnes per annum; and, (ii) reduce the 2% NSR to a 1% NSR with a buyback of one-half for $250,000 on any of the SEPLs.

On June 19, 2019, the Company announced an agreement with Geophysx, pursuant to which Geophysx agreed to acquire six of the Company's SEPLs located in Jamaica including four of the SEPLs acquired from OZ Minerals and two of the Rodinia SEPLs. The SEPLs contain early-stage copper-gold exploration projects and include the Belvedere, Mount Royal, Mount Ogle, Berkshire Hall, Windsor Castle and Shirley Castle SEPLs.

Pursuant to this agreement, Geophysx acquired a 100% interest in each of the projects for total cash of $277,605 (US$210,000). The Company retained a NSR royalty of 1% on four of these SEPLs. Geophysx had the right to buy down the first half of the NSR for US$50,000 per each 0.1% of the NSR (total of US$250,000) and the second half of the NSR for US$70,000 per each 0.1% of the NSR (total of US$350,000). Geophysx was obligated to make future cash payments to the Company at milestones following commencement of commercial production that could total US$240,000 (see sale of NSR royalty below).

The Bellas Gate Project is subject to a 2% NSR in favour of Clarendon Consolidated Minerals Ltd. ("CCM").

Sale of NSR royalty

During August 2023, the Company entered into a Royalty Purchase Agreement with an affiliated company of Geophysx, pursuant to which the Company agreed to sell and transfer all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the purchase agreement with Geophysx dated June 19, 2019 for cash consideration of $1,625,940 (US$1,200,000). The cash consideration was received on August 31, 2023 and was recorded in other income in the consolidated statement of operations and comprehensive loss.

Rodinia and Other property licenses, Jamaica

The Rodinia and Other property licenses consists of the 100% owned SEPLs in Jamaica known as Arthurs Seat, Main Ridge and Hungry Gully. On February 19, 2022, the Company entered into an agreement with Rodinia Resources Pty Limited to purchase the 0.5% NSR related to the Hungry Gully and Main Ridge SEPLs for cash consideration of $31,785 (US$25,000). No royalties remain payable on the Hungry Gully and Main Ridge SEPLs.

(expressed in Canadian dollars)

Super Block, Jamaica

On February 24, 2024, the Company and Geophysx (together, the "Participants") entered into a Joint Arrangement Agreement (the "Agreement") that combines Geophysx's SEPLs covering the past producing Pennants Mine and surrounding areas with the Company's Main Ridge SEPL and a portion of its Arthurs Seat SEPL to form a combined property that is now known as the Super Block project. As part of the Agreement, the Participants intend to incorporate a new entity ("NewCo") under the laws of Jamaica, or another jurisdiction for tax purposes, with each Participant holding a 50% ownership interest. The purpose of the NewCo is to hold the legal and beneficial title to the SEPLs that form the Super Block project. Under the terms of the Agreement, it is anticipated that the new Super Block project SEPLs will be issued by Jamaican governmental authorities by September 30, 2024.

Under the terms of the Agreement, each Participant has a 50% interest in the Super Block project. The rights and obligations of each Participant will be in every case several and not joint or joint and several. The Participants will establish a Management Committee to determine the overall policies, objectives, procedures, methods and actions under the Agreement. Each Participant will elect two members to the Management Committee which will include the President form each Participant and one additional member. The Company will act as the operator of the Super Block project. In this role, the Company will conduct all exploration and evaluation activities and will be responsible for proposing annual work plans and budgets to be approved by the Management Committee. The Company will receive a 5% operator administrative fee up until such time that a production decision is made on the Super Block project which is offset against office, general and administrative expenses.

Both Participants must contribute to fund exploration and evaluation activities of the Super Block project on a pro rata basis or their interest will be diluted as per the standard formula outlined by the Rocky Mountain Mineral Law Foundation. Should either Participant be diluted to a 5% interest, such interest will be converted to a 3% NSR royalty on the Super Block project of which 2% can be repurchased for US$2,000,000.

The Agreement is a joint operation in accordance with IFRS 11, *Joint Arrangements*, effective February 24, 2024, and was classified as a new project of the Company during the nine month period ended May 31, 2024. The Company consolidates all assets, liabilities, income and expenses related to the Super Block project into its consolidated financial statements pro rata to its interest in the project.

As at May 31, 2024, the new Super Block SEPLs have not yet been issued by the Jamaican governmental authorities. The Management Committee approved an exploration budget. Any shortfall to the budget is financed by each Participant on a pro rata basis based on interest in the joint operation. At May 31, 2024, an amount of $54,249 is receivable from Geophysx (see note 5). At May 31, 2024, neither party has been diluted and the Company continues to hold a 50% interest in the joint operation.

Rogers Creek and Mackenzie properties, BC, Canada

On September 29, 2021, the Company and Tocvan Ventures Corp. entered into a purchase and sale agreement for the Rogers Creek project whereby Tocvan acquired a 100% interest in the project and the prior option earn-in agreement was terminated. Consideration received for the sale was comprised of 500,000 common shares of Tocvan and 625,000 common shares in a newly formed company called Cascade Copper (see note 6) for a combined value of $525,000. Tocvan spun out its 100% interest in the Rogers Creek project into Cascade Copper, which will focus on copper porphyry exploration assets in southern British Columbia. The Company retains a 2% NSR on the Rogers Creek project where 1% can be repurchased for $1 million.

9. Capital stock

Authorized
The Company is authorized to issue an unlimited number of common shares, having no par value.

Issued
Share consolidation
On December 19, 2023, the Company effected the Share Consolidation. All share and per share amounts in these condensed consolidated interim financial statements have been retroactively adjusted to reflect the Share Consolidation.

Share issuances during fiscal 2024
On November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of $0.91 per common share for gross proceeds of $8,050,000. In connection with the private placement, the Company paid eligible finders cash commissions of $42,600 and an advisory fee of $107,100.

Share issuances during fiscal 2023
On April 21, 2023 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common shares at a price of $0.65 per common share for gross proceeds of $5,000,000. In connection with this financing, the Company paid certain eligible finders cash commissions of $93,900.

Warrants
As at May 31, 2024 there were no warrants outstanding. During September 2022, a balance of 400,000 warrants exercisable at $1.04 expired. No warrants were issued during fiscal 2023 or 2024 to date.

Broker warrants
On November 9, 2023, a total of 462,771 broker warrants exercisable at $2.47 expired. As at May 31, 2024, there were no broker warrants outstanding. No broker warrants were issued during fiscal 2023 or 2024 to date.

(expressed in Canadian dollars)

Stock options

During October 2010, the Company approved a stock option plan available to its employees, officers, directors and service providers. The number of options available under the plan is a maximum of 10% of the total number of issued and outstanding common shares. The Compensation Committee recommends to the Board the vesting period and exercise rights for each stock option granted.

Activity with respect to stock options is as follows:

	Number	Weighted-average exercise price $	Expiry
Balance, August 31, 2022	3,973,822	1.31	December 2022 to August 2027
Granted	1,246,144	0.65	August 2028
Expired	(1,207,688)	1.75	December 2022 to July 2023
Forfeited	(84,612)	1.62	March 2026 to August 2027
Balance, August 31, 2023	3,927,666	0.96	May 2024 to August 2028
Expired	(349,997)	1.04	May 2024
Forfeited	(66,921)	0.74	December 2024 to August 2028
Balance, May 31, 2024	3,510,748	0.95	December 2024 to August 2028

As at May 31, 2024, outstanding stock options are as follows:

Options outstanding			Options exercisable		
Exercise price $	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	Expiry
0.65	629,998	0.5	629,998	0.5	December 7, 2024
0.65	1,226,914	4.2	480,768	4.2	August 8, 2028
1.04	1,138,456	3.2	1,138,456	3.2	August 15, 2027
1.43	123,076	1.6	123,076	1.6	January 5, 2026
1.95	353,843	1.8	353,843	1.8	March 26, 2026
2.21	38,461	1.9	38,461	1.9	April 15, 2026
	3,510,748	2.9	2,764,602	2.5	

On August 8, 2023, the Company granted a total of 1,246,144 stock options to officers, directors, employees and consultants of the Company. These stock options are exercisable at $0.65 per share and expire on August 8, 2028.

During the nine month period ended May 31, 2024, the Company recorded a total value $202,972 (nine month period ended May 31, 2023 - $257,472) with respect to stock options. Of this total, $128,066 was recorded in share based compensation expense related to stock options and $74,906 was capitalised to exploration and evaluation assets. Share based compensation amounts are included in shareholders' equity as contributed surplus.

The values determined using the Black-Scholes option pricing model, with respect to stock options granted during fiscal 2023 utilized the following assumptions and values:

	Year ended August 31, 2023
Expected volatility	91.1%
Expected option life (in years)	5.0
Risk-free interest rate	3.86%
Expected dividend yield	Nil
Weighted-average exercise price	0.65
Weighted-average share price at grant date	0.52
Weighted-average fair value	0.36

The Company determines expected volatility in relation to both historical Company volatility and by analysis of comparable companies in the mineral exploration sector. There were no stock options issued during the nine month period ended May 31, 2024.

(expressed in Canadian dollars)

Restricted share unit / Deferred share unit plan ("RSU / DSU Plan")

On June 13, 2013, Company shareholders adopted an RSU/DSU Plan. The Plan provides for granting of RSUs and DSUs for the purpose of advancing the interests of the Company through motivation, attraction and retention of employees, consultants and non-employee directors by granting equity-based compensation incentives, in addition to the Company's stock option plan. The number of shares reserved for issuance for the RSU/DSU Plan and the stock option plan combined shall not exceed 20% of the issued and outstanding common shares on the date of adoption. Under the RSU/DSU Plan, no cash settlements are made as settlement is in common shares only. On June 16, 2017, shareholders of the Company approved an increase in the number of common shares reserved for the RSU/DSU Plan to 702,034. Under the terms of the RSU/DSU Plan, the number of common shares issued and issuable to insiders within a one-year period shall not exceed 10% of the issued and outstanding common shares; and, to any one insider within one year shall not exceed 5% of the issued and outstanding common shares. The maximum grant within a one-year period to any one participant shall not exceed 5% of the total issued and outstanding common shares.

Restricted share units

RSUs have been utilized to compensate participants for their individual performance based achievements and corporate performance, and they are intended to supplement stock option awards. The Company's Compensation Committee may determine the vesting schedule of RSUs at the time of grant. The settlement date shall be no later than the third anniversary of the date of grant and all payments in respect of the vested units shall be paid in full before the end of the same calendar year. Non-vested RSUs are forfeited if the participant voluntarily leaves employment with the Company. On exercise of RSUs, the shares are issued from treasury.

As at May 31, 2024 a total of 156,643 RSUs were outstanding (August 31, 2023 - 156,643) having been previously granted to an officer of the Company. During the nine month period ended May 31, 2024, the Company recorded a total value of $Nil (nine month period ended May 31, 2023 - $84,000) with respect to these RSUs. No additional RSUs were granted during the nine month period ended May 31, 2024.

Deferred share units

DSUs have been utilized as a means of reducing the cash payable by the Company for amounts owing to non-executive directors. A DSU is a notional share that has the same value as one share of the Company as at the grant date. DSUs are settled with the issuance of common shares to directors when they retire from the board. As DSUs are equity settled, they are fair valued based on the market value of the shares at the grant date and recorded as share based compensation expense in contributed surplus over the vesting period.

As at May 31, 2024, a total of 15,117 DSUs were outstanding (August 31, 2023 - 15,117) having been previously granted to directors of the Company. No additional DSUs were granted during the nine month period ended May 31, 2024.

10. Related party transactions and compensation of key management

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of Chief Executive Officer and President, Chief Financial Officer, Vice President and Director. Compensation awarded to key management has been recorded at the exchange amount, being the amount agreed to by the respective parties, and is with respect to short-term compensation and was conducted in the normal course of business. Amounts are summarized as follows:

	Three months ended May 31, 2024 $	Three months ended May 31, 2023 $	Nine months ended May 31, 2024 $	Nine months ended May 31, 2023 $
Salaries and contract fees of key management	174,850	169,503	538,256	534,078
Value of RSUs (note 9)	-	28,000	-	84,000
Value of stock options with officers and directors (note 9)	49,735	66,952	148,124	210,163
	224,585	264,455	686,380	828,241

As at May 31, 2024, a total of $29,601 (August 31, 2022 - $16,276) is included in accounts payable and accrued liabilities with respect to amounts due to key executive management for service contract obligations and expenses.

The Company has management service agreements with each of its Chief Executive Officer, Vice President, Exploration and Chief Financial Officer which provide for a payment upon termination without cause. The Chief Executive Officer and Vice President Exploration would be entitled to six months' compensation upon termination without cause. With respect to the Chief Financial Officer, a payment equivalent to three months' compensation is payable upon termination without cause. The service agreements for the Chief Executive Officer, Vice President Exploration and Chief Financial Officer also provide that under certain conditions, including a change in control of the Company, that each of these individuals would be entitled to a lump sum payment. These payments are equivalent to twelve months' compensation with respect to the Chief Executive Officer and Vice President Exploration and six months' compensation with respect to the Chief Financial Officer.

(expressed in Canadian dollars)

11. Financial instruments and risk management

As at May 31, 2024, the Company's financial instruments include cash and cash equivalents, restricted deposits, amounts receivable, marketable securities, accounts payable and accrued liabilities. Due to the short-term nature of these financial instruments the carrying values approximate their fair values.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, price risk, currency risk and interest rate risk. These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Company's annual financial statements as at August 31, 2023. There have been no changes in the Company's risk management policies or procedures since year end.

12. Segmented information

The Company's operations comprise one reportable segment being the exploration and development of mineral resource properties. The Company's corporate and administrative offices are in Ontario, Canada. The Company's exploration property assets are in Peru and Jamaica. Long-term assets by geographic area are as follows:

	May 31, 2024		August 31, 2023	
	Equipment $	Exploration and evaluation assets $	Equipment $	Exploration and evaluation assets $
Peru	24,592	35,534,549	51,867	34,975,849
Jamaica	61,721	22,644,993	48,411	16,550,823
Canada	5,672	-	7,166	-
	91,985	58,179,542	107,444	51,526,672

13. Capital management

The Company's capital structure is comprised of shareholders' equity. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs (see note 1, going concern).

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants. The Company's capital management objectives have remained unchanged over the periods presented in these condensed consolidated interim financial statements.

14. Supplemental cash flow information

Non-cash transactions not reflected in the condensed consolidated interim statements of cash flows are as follows:

	Nine months ended May 31, 2024 $	Nine months ended May 31, 2023 $
Exploration and evaluation costs included in accounts payable and accrued liabilities	186,512	167,839
Depreciation of field vehicles and equipment charged to exploration expenditures	18,371	23,026
Exploration advances capitalised to exploration and evaluation assets	547,188	-
Stock based compensation charge capitalised to exploration and evaluation assets	74,906	-
Consideration for sale of equipment receivable	2,221	-
Share consideration receivable for sale of Rogers Creek project	-	(75,000)
Effect of changes in foreign exchange rates on:		
Working capital	(72,827)	(30,630)
Equipment	(569)	5,707
Exploration and evaluation assets	(188,520)	1,778,012