



C3 Metals Inc.

(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the three month periods ended November 30, 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)

	November 30, 2024	August 31, 2024
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	4,786,990	1,521,374
Restricted deposits (note 4)	51,137	50,790
Amounts receivable (note 5)	41,698	16,860
Prepaid expenses	134,399	98,801
Marketable securities (note 6)	18,750	31,250
	<u>5,032,974</u>	<u>1,719,075</u>
Equipment	77,160	82,328
Exploration advances (note 7)	26,825	26,094
Exploration and evaluation assets (note 8)	<u>59,919,016</u>	<u>58,228,696</u>
	<u>60,023,001</u>	<u>58,337,118</u>
Total assets	<u>65,055,975</u>	<u>60,056,193</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	<u>379,507</u>	<u>365,038</u>
Total liabilities	<u>379,507</u>	<u>365,038</u>
Shareholders' equity		
Capital stock (note 10)	79,596,690	75,284,405
Contributed surplus	6,202,721	6,202,721
Accumulated deficit	(23,152,228)	(22,678,266)
Accumulated other comprehensive income	<u>2,029,285</u>	<u>882,295</u>
Total shareholders' equity	<u>64,676,468</u>	<u>59,691,155</u>
Total liabilities and shareholders' equity	<u>65,055,975</u>	<u>60,056,193</u>

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 November 30, 2024 \$	Three months ended November 30, 2023 \$
Expenses		
Promotion and investor relations	116,329	226,983
Regulatory authority and transfer agent fees	14,072	14,483
Legal, accounting, audit and financial advisory	34,441	58,314
Office, general and administrative	322,853	310,142
Share based compensation (note 10)	-	42,533
Total expenses	487,695	652,455
Other expenses (income)		
Interest income	(26,619)	(21,469)
Loss on marketable securities (note 6)	12,500	(3,125)
Foreign exchange loss	386	37,023
Total other expenses (income)	(13,733)	12,429
Net loss for the period	473,962	664,884
Other comprehensive loss (income)		
Items that may be subsequently reclassified to net loss		
Foreign currency translation adjustment	(1,146,990)	417,338
Total comprehensive loss (income) for the period	(673,028)	1,082,222
Loss per common share:		
Basic and diluted	0.01	0.01
Weighted average number of common shares outstanding:		
Basic and diluted	65,511,175	54,594,022

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⁾		Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, August 31, 2024	61,884,802	75,284,405	6,202,721	(22,678,266)	882,295	59,691,155
Net loss for the period	-	-	-	(473,962)	-	(473,962)
Foreign currency translation adjustment	-	-	-	-	1,146,990	1,146,990
Total comprehensive income (loss) for the period	-	-	-	(473,962)	1,146,990	673,028
Non-brokered private placement of shares (note 10)	14,999,999	4,500,000	-	-	-	4,500,000
Share issue costs (note 10)	-	(187,715)	-	-	-	(187,715)
	14,999,999	4,312,285	-	(473,962)	1,146,990	4,985,313
Balance, November 30, 2024	76,884,801	79,596,690	6,202,721	(23,152,228)	2,029,285	64,676,468
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	-	-	-	(664,884)	-	(664,884)
Foreign currency translation adjustment	-	-	-	-	(417,338)	(417,338)
Total comprehensive loss for the period	-	-	-	(664,884)	(417,338)	(1,082,222)
Non-brokered private placement of shares (note 10)	8,846,147	8,050,000	-	-	-	8,050,000
Share issue costs (note 10)	-	(166,052)	-	-	-	(166,052)
Stock option compensation charge (note 10)	-	-	67,984	-	-	67,984
	8,846,147	7,883,948	67,984	(664,884)	(417,338)	6,869,710
Balance, November 30, 2023	61,884,802	75,319,530	6,017,480	(21,050,559)	1,438,065	61,724,516

⁽¹⁾ Number of issued common shares and warrants have been retroactively adjusted for the Share Consolidation effected on December 19, 2023 (see note 10).

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

C3 Metals Inc.

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Condensed Consolidated Interim Statements of Cash Flows (Unaudited)



(expressed in Canadian dollars)

	Three months ended November 30, 2024 \$	Three months ended November 30, 2023 \$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(473,962)	(664,884)
Items not affecting cash:		
Loss on marketable securities (note 6)	12,500	(3,125)
Depreciation of equipment	2,771	110
Accrued Interest on restricted deposits	(347)	(315)
Share based compensation (note 10)	-	42,533
Change in working capital items:		
Amounts receivable	(24,838)	(38,545)
Prepaid expenses	(35,598)	(45,645)
Accounts payable and accrued liabilities	(131,873)	(170,834)
	<u>(651,347)</u>	<u>(880,705)</u>
Investing activities		
Exploration advances (note 7)	-	30,524
Exploration and evaluation assets (note 8)	(480,857)	(2,040,558)
	<u>(480,857)</u>	<u>(2,010,034)</u>
Financing activities		
Issuance of common shares (note 10)	4,500,000	8,050,000
Share issue costs	(187,715)	(166,052)
	<u>4,312,285</u>	<u>7,883,948</u>
Effect of exchange rate changes on cash	<u>85,535</u>	<u>(1,448)</u>
Net change in cash and cash equivalents	3,265,616	4,991,761
Cash and cash equivalents - Beginning of period	1,521,374	2,832,823
Cash and cash equivalents - End of period	4,786,990	7,824,584

Supplemental cash flow information (note 15)

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

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Notes to Condensed Consolidated Interim Financial Statements

For the three month periods ended November 30, 2024 and 2023

(Unaudited)

(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 holds a 50% interest in GP C3 JV Limited, also referred to as the Super Block joint operation (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 ("IFRS Accounting Standards") 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 November 30, 2024, the Company had working capital of \$4,653,467 (August 31, 2024 - \$1,354,037). Given the Company's plans for significant exploration expenditures on its projects during fiscal 2025, 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 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. Material 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, 2024 and 2023 which have been prepared in accordance with IFRS Accounting Standards. These financial statements were approved by the board of directors for issue on January 23, 2025.

Basis of presentation and 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. On August 29, 2024, GP C3 JV Limited was incorporated to hold the Company's 50% interest in the Super Block joint operation (see note 8).

The Company's condensed consolidated interim 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. These condensed consolidated interim financial statements are expressed in Canadian dollars and are prepared using the historical cost method.

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Notes to Condensed Consolidated Interim Financial Statements

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(Unaudited)

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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 years ended August 31, 2024 and 2023.

3. Summary of material 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, 2024 and 2023 except as described in the notes to these condensed consolidated interim financial statements.

New and revised accounting standards

Certain other 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, 2024. They are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

New IFRS Accounting Standard - IFRS 18: Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued a new standard – IFRS 18: *Presentation and Disclosure in Financial Statements* with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: 1) the structure of the statement of profit or loss; 2) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and 3) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; however, many of the other existing principles in IAS 1 are retained with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027. Retrospective application is required and early application is permitted. The Company has not yet adopted IFRS 18 and is currently assessing the effect of this new standard on the condensed consolidated interim financial statements.

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 \$51,137 (August 31, 2024 - \$50,790) 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 \$41,698 (August 31, 2024 - \$16,860) is comprised of harmonized sales tax (HST) receivable in Canada of \$28,940 and other sundry receivables of \$12,758.

6. Marketable securities

	Level 1 \$
Balance, August 31, 2023	53,125
Loss on revaluation of marketable securities	<u>(21,875)</u>
Balance, August 31, 2024	31,250
Loss on revaluation of marketable securities	<u>(12,500)</u>
Balance, November 30, 2024	<u>18,750</u>

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 Ventures Corp. ("Tocvan") (see note 9). These shares are classified as a level 1 investment valued at fair value through profit and loss with reference to the quoted market price of Cascade Copper on the Canadian Securities Exchange. As at November 30, 2024, the Company continued to hold 625,000 Cascade Copper common shares.

7. Exploration advances

Exploration advances of \$26,825 (August 31, 2024 - \$26,094) is comprised of miscellaneous prepaid exploration costs and will be capitalised to exploration and evaluation assets as they are incurred.

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(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements

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(Unaudited)

(expressed in Canadian dollars)

8. Exploration and evaluation assets

	Jasperoide (Peru) \$	Bellas Gate (Jamaica) \$	Rodinia and Other Licenses (Jamaica) \$	Super Block (Jamaica) \$	Total \$
Balance, August 31, 2023	34,975,849	11,637,635	4,913,188	-	51,526,672
Contribution to Super Block	-	-	(1,446,725)	1,446,725	-
Licence acquisition and renewal fees	217,360	199	414	53	218,026
Cash paid for La Bruja option agreement	40,570	-	-	-	40,570
Geology and general field costs	340,505	1,308,743	196,554	155,481	2,001,283
Drilling and related	54,900	4,394,556	78,137	58,288	4,585,881
Environmental	59,053	41,742	5,662	9,427	115,884
Community and social development	277,400	199,817	12,043	15,283	504,543
Health and safety	22,911	55,347	4,728	2,281	85,267
IVA tax on exploration expenditures	59,501	-	-	-	59,501
Translation to presentation currency	(740,010)	(140,118)	(27,418)	(1,385)	(908,931)
Balance, August 31, 2024	35,308,039	17,497,921	3,736,583	1,686,153	58,228,696
Licence acquisition and renewal fees	124,913	125	125	-	125,163
Geology and general field costs	88,792	106,009	4,628	15,559	214,988
Geochemical	8,450	-	-	5,240	13,690
Drilling and related	12,044	42,872	1,376	-	56,292
Environmental	22,728	5,182	2,604	497	31,011
Community and social development	65,450	33,247	1,102	644	100,443
Health and safety	-	6,190	1,848	1,589	9,627
IVA tax on exploration expenditures	12,953	-	-	-	12,953
Translation to presentation currency	860,902	221,084	23,759	20,408	1,126,153
Balance, November 30, 2024	36,504,271	17,912,630	3,772,025	1,730,090	59,919,016

Jasperoide project, Peru

The Company holds a 100% beneficial interest in 60 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 62 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 30,280 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).

On October 22, 2024, the Company acquired a concession through a purchase agreement with an individual covering a total area of 200 hectares. 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. Of these 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\$2,050,000. 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\$1,030,000 have been provided up to date of these condensed consolidated interim financial statements, including US\$50,000 paid during December 2024. A total balance of US\$1,020,000 in future cash payments are required on or before the following dates: US\$250,000 by August 31, 2025; US\$350,000 by August 31, 2026; and, US\$420,000 by August 31, 2027. As at November 30, 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.

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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 Arthurs 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 Geophyx Jamaica Ltd. ("Geophyx"), pursuant to which Geophyx 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, Geophyx 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. Geophyx 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). Geophyx 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 Geophyx pursuant to which the Company sold and transferred all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the purchase agreement with Geophyx dated June 19, 2019 for cash consideration of \$1,625,940 (US\$1,200,000).

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. During February 2024, the Company contributed its Main Ridge SEPL and a portion of its Arthurs Seat SEPL to the Super Block project (see below).

Super Block, Jamaica

On February 24, 2024, the Company entered into a joint arrangement with Geophyx for the exploration and development of the Super Block project. The Super Block project will combine Geophyx'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. This joint arrangement is structured as a joint operation, whereby the Company and Geophyx (the "Participants") share control and have rights to the assets and obligations for the liabilities of the arrangement.

The Company and Geophyx have agreed to share the costs and any future revenues associated with the exploration and development activities relative to each Participant's participating interest, which is initially a 50% participating interest for each of the Participants. If a Participant fails to contribute their share of funding, their participating interest will be diluted on a proportionate basis. In the case that either Participant is 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.

A Management Committee has been established and is responsible for determining the overall policies, objectives, procedures, methods, and actions under the Agreement. Each Participant has elected two members to the Management Committee, and the voting power of the members is proportionate to their respective participating interests. For a decision to be made, a majority vote is required.

The Company is the operator of the Super Block project and will conduct all exploration and evaluation activities, as well as 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 expense.

On close of the Agreement, the Company transferred the carrying value of the Main Ridge SEPL and the relevant portion of the Arthurs Seat SEPL, with a combined carrying value of \$1,446,725, to the Super Block project within exploration and evaluation assets. Subsequent to the initial contribution of the SEPLs to the joint arrangement, the Company's share of the assets, liabilities, revenues, and expenses related to the joint arrangement will be included in the condensed consolidated interim financial statements on a proportionate basis.

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Super Block, Jamaica (continued)

As at November 30, 2024, the Company had incurred cumulative exploration and evaluation costs amounting to \$264,342 related to the Super Block project, which represents the Company's 50% share of expenditures incurred under the exploration budgets approved by the Management Committee. At November 30, 2024, the Company had a cash balance of \$26,781 from prior cash calls received from Geophysx to be utilised against future exploration and evaluation costs on the Super Block project (see note 9).

As part of the conditions subsequent to closing, both Participants were required to receive approval for the subdivision of their existing SEPLs by the Jamaican Ministry of Agriculture, Fisheries and Mining in order to form the new Super Block SEPLs. On August 29, 2024, GP C3 JV Limited was incorporated to hold the Super Block SEPLs in trust with each Participant holding 50% of its common shares. As at the date these financial statements were approved for issuance, the new Super Block SEPLs have been issued by the Jamaican governmental authority, but are yet to be transferred to GP C3 JV Limited, which will satisfy the conditions subsequent. Currently these matters must be completed by March 31, 2025 or the Agreement may be subject to early termination. However, the Participants can mutually agree to extend this deadline if needed to complete the conditions subsequent.

Rogers Creek property, BC, Canada

On September 29, 2021, the Company and Tocvan 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. Accounts payable and accrued liabilities

	November 30, 2024	August 31, 2024
	\$	\$
Trade accounts payable	331,662	157,889
Accrued liabilities	21,064	167,319
Joint operation payable (see note 9)	26,781	39,830
	<u>379,507</u>	<u>365,038</u>

10. 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 2025

On October 9, 2024, the Company closed a non-brokered private placement of 14,999,999 common shares at a price of \$0.30 per common share for gross proceeds of \$4,500,000. In connection with the private placement, the Company paid an advisory fee of \$148,808.

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.

Broker warrants

As at November 30, 2024, there were no broker warrants outstanding. On November 9, 2023, a total of 462,771 broker warrants exercisable at \$2.47 expired. No broker warrants were issued during fiscal 2024 or during the three month period ended November 30, 2024.

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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, 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, August 31, 2024 and November 30, 2024	<u>3,510,748</u>	0.95	December 2024 to August 2028

As at November 30, 2024, outstanding stock options are as follows:

Exercise price \$	Options outstanding		Options exercisable		Expiry
	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	
0.65	629,998	0.0	629,998	0.0	December 7, 2024
0.65	1,226,914	3.7	1,226,914	3.7	August 8, 2028
1.04	1,138,456	2.7	1,138,456	2.7	August 15, 2027
1.43	123,076	1.1	123,076	1.1	January 5, 2026
1.95	353,843	1.3	353,843	1.3	March 26, 2026
2.21	<u>38,461</u>	1.4	<u>38,461</u>	1.4	April 15, 2026
	<u>3,510,748</u>	2.4	<u>3,510,748</u>	2.4	

During the three month period ended November 30, 2024, the Company recorded a total value of \$nil (three month period ended November 30, 2023 - \$67,984) with respect to stock options. Share based compensation amounts are included in shareholders' equity as contributed surplus.

Subsequent to period end, on December 7, 2024, a total of 629,998 stock options with an exercise price of \$0.65 expired. There were no stock options issued during fiscal 2024 or during the three month period ended November 30, 2024.

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 November 30, 2024 a total of 156,643 RSUs were outstanding (August 31, 2024 - 156,643) having been previously granted to an officer of the Company. During the three month period ended November 30, 2024, the Company recorded a total value of \$nil (three month period ended November 30, 2023 - \$nil) with respect to these RSUs. No additional RSUs were granted during fiscal 2024 or during the three month period ended November 30, 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 November 30, 2024, a total of 15,117 DSUs were outstanding (August 31, 2024 - 15,117) having been previously granted to directors of the Company. No additional DSUs were granted during fiscal 2024 or during the three month period ended November 30, 2024.

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11. 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 November 30, 2024 \$	Three months ended November 30, 2023 \$
Salaries and contract fees of key management	172,900	178,244
Value of stock options with officers and directors (note 10)	-	49,194
	<u>172,900</u>	<u>227,438</u>

As at November 30, 2024, a total of \$45,797 (August 31, 2024 - \$20,803) 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.

12. Financial instruments and risk management

As at November 30, 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 consolidated financial statements for the years ended August 31, 2024 and 2023. There have been no changes in the Company's risk management policies or procedures since year end.

13. Segmented information

The Company presents and discloses segmented information based on information that is regularly reviewed by the Company's President and CEO who is the chief operating decision-maker. The President and CEO has primary responsibility for allocating resources to the Company's operating segments and assessing their performance. 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:

	November 30, 2024		August 31, 2024	
	Exploration and evaluation		Exploration and evaluation	
	Equipment	assets	Equipment	assets
	\$	\$	\$	\$
Peru	19,147	36,504,271	21,176	35,308,039
Jamaica	53,160	23,414,745	55,905	22,920,657
Canada	4,853	-	5,247	-
	<u>77,160</u>	<u>59,919,016</u>	<u>82,328</u>	<u>58,228,696</u>

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14. 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.

15. Supplemental cash flow information

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

	Three months ended November 30, 2024 \$	Three months ended November 30, 2023 \$
Exploration and evaluation costs included in accounts payable and accrued liabilities	78,715	397,684
Depreciation of field vehicles and equipment charged to exploration expenditures	4,592	7,736
Exploration advances capitalised to exploration and evaluation assets	-	271,793
Stock based compensation charge capitalised to exploration and evaluation assets	-	25,451
Effect of changes in foreign exchange rates on:		
Working capital	(67,627)	(87,422)
Equipment	2,195	5,435
Exploration advances	(731)	-
Exploration and evaluation assets	1,126,156	1,740,194