



ENDURO METALS CORPORATION

Condensed Interim Consolidated Financial Statements

For the three months ended December 31, 2023 and 2022

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim consolidated financial statements of Enduro Metals Corporation (the "Company") are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

The condensed interim consolidated financial statements as at December 31, 2023, and for the periods ended December 31, 2023 and 2022, have not been audited or reviewed by the Company's independent auditors.

"Cole Evans"
Cole Evans
President & CEO
February 29, 2024

"Malcolm Davidson"
Malcolm Davidson, CPA, CA
Chief Financial Officer
February 29, 2024

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	December 31 2023 (Unaudited)	September 30, 2023
ASSETS			
Current assets			
Cash		\$ 145,459	\$ 487,498
Taxes receivable		34,369	28,733
Due from related parties	7c	-	41,514
Prepaid expenses and deposits		42,425	43,204
Total current assets		222,253	600,949
Property and equipment	3	90,675	97,996
Right of use asset	4	226,916	245,825
Deposit	5	200,000	200,000
Exploration advances		100,000	420,000
Exploration and evaluation assets	5	30,902,457	28,853,348
Total Assets		\$ 31,742,301	\$ 30,418,118
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 613,699	\$ 516,516
Due to related parties	7c	352,929	-
Lease liabilities – current	4	73,880	71,002
Loan payable	8	60,000	60,000
Flow-through premium liability	9	-	587,112
Reclamation provision	10	130,739	130,739
Total current liabilities		1,231,247	1,365,369
Lease liabilities – long term	4	195,899	215,484
Total Liabilities		1,427,146	1,580,853
Equity			
Share capital	6	57,516,115	57,516,115
Equity reserves	6	4,946,094	4,946,094
Share subscriptions receivable		1,200,000	-
Accumulated deficit		(33,347,054)	(33,624,944)
Total Equity		30,315,155	28,837,265
Total Liabilities and Equity		\$ 31,742,301	\$ 30,418,118

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

Approved by the Board of Directors on February 29, 2024:*“Susanne Hermans”*

Susanne Hermans, Director

“Cole Evans”

Cole Evans, Director

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31,

	Note	2023	2022
EXPENSES			
Amortization and depreciation	3,4	\$ 26,230	\$ 28,719
Management and consulting fees	7	144,000	98,004
Director's fees		-	1,800
Interest on right of use asset	4	11,239	13,694
Corporate communications		61,266	90,958
Office and miscellaneous		6,809	9,028
Professional fees		36,899	49,880
Regulatory and compliance fees		12,769	18,568
Share-based payments	6	-	58,353
Travel		10,010	38,573
Loss before other items		(309,222)	(407,577)
OTHER ITEMS			
Income from flow-through premium	9	587,112	166,942
Write-off of accounts payable		-	(9,434)
Net income (loss) and comprehensive income and (loss)		\$ 277,890	\$ (250,069)
Basic and diluted income (loss) per common share		\$ 0.01	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		24,099,494	24,099,494

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of shares	Share capital	Share subscriptions receivable	Equity reserves	Accumulated deficit	Total equity
Balance, September 30, 2022	24,099,494	\$ 57,516,115	\$ -	\$ 4,756,471	\$ (32,538,058)	\$ 29,734,528
Share-based payments	-	-	-	58,353	-	58,353
Net loss and comprehensive loss for the period	-	-	-	-	(250,069)	(250,069)
Balance, December 31, 2022	24,099,494	57,516,115	-	4,814,824	(32,788,127)	29,542,812
Share-based payments	-	-	-	131,270	-	131,270
Net loss and comprehensive loss for the period	-	-	-	-	(836,817)	836,817
Balance, September 30, 2023	24,099,494	57,516,115	-	4,946,094	(33,624,944)	28,837,265
Share subscriptions receivable	-	-	1,200,000	-	-	1,200,000
Net loss and comprehensive income for the period	-	-	-	-	277,890	277,890
Balance, December 31, 2023	24,099,494	\$ 57,516,115	\$ 1,200,000	\$ 4,946,094	\$ (33,347,054)	\$ 30,315,155

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

ENDURO METALS CORPORATION

Condensed Interim Consolidated Statements of Cash Flow

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

For the three months ended December 31,	2023	2022
Cash generated by (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ 277,890	\$ (250,069)
Item not affecting cash:		
Amortization	26,230	28,719
Interest on right of use asset	11,239	13,694
Write-off of accounts payable	-	9,434
Income from flow-through premium	(587,112)	(166,942)
Share-based payments	-	58,353
Changes in non-cash working capital items:		
Decrease (increase) in taxes receivables	(5,636)	231,969
Decrease (increase) in prepaids expenses and deposits	779	(45,348)
Increase (decrease) in accounts payable and accrued liabilities	(211,693)	232,359
Increase (decrease) in due from related parties	394,443	(214,673)
Net cash used in operating activities	93,860	(102,504)
FINANCING ACTIVITIES		
Share subscriptions receivable	1,200,000	-
Lease payments	(27,946)	(27,945)
Net cash (used) provided by financing activities	1,172,054	(27,945)
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditures	(1,420,233)	(1,462,102)
Net cash used in investing activities	(1,420,233)	(1,462,102)
Change in cash for the period	(342,039)	(1,592,551)
Cash, beginning of period	487,498	4,027,104
Cash, end of period	\$ 145,459	\$ 2,434,553
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Enduro Metals Corporation (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 20, 2009 and is publicly listed and traded on the TSX Venture Exchange (“TSX-V”) under the symbol ENDR and on the OTC Markets Group Inc under the ticker symbol “ENDMF”, and the Frankfurt Stock Exchange (“FSE”) under the ticker symbol “SOG”. The Company is currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company’s head office and principal place of business is suite 202 – 1632 Dickson Avenue, Kelowna, BC, V1Y 7T2, Canada.

The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receiving the continued financial support from related parties, completing sufficient equity financings or generating profitable operations in the future. The Company has not generated revenue from operations. Has a working capital deficit, and expects to incur further losses in the exploration and evaluation of its mineral properties. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its business.

These condensed interim consolidated financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company are primarily funded from financing activities and the issuance of capital stock.

On December 22, 2023, Enduro completed a consolidation of its Common Shares on the basis of 1:10 Common Shares.

2. MATERIAL ACCOUNTING POLICIES

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s September 30, 2023, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

These unaudited condensed interim consolidated financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements as if the policies have always been in effect.

Basis of Presentation

The policies applied in the condensed interim consolidated financial statements are presented below as of February 29, 2024, the date the Board of Directors approved the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company's wholly owned dormant subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant inter-company transactions and balances have been eliminated upon consolidation.

Subsidiary	% Ownership	Jurisdiction	Nature of Operations
Minera Sierra Gioc SA	100 %	Mexico	Mining Exploration
Enduro Gold Corporation	100 %	Canada	Mining Exploration
Enduro Silver Corporation	100 %	Canada	Mining Exploration
Enduro Copper Corporation	100 %	Canada	Mining Exploration
Enduro Mining Corporation	100 %	Canada	Mining Exploration

Estimates, Judgments and Assumptions

The Company's management makes judgments in its process of applying the Company's accounting policies to the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the impacts on the carrying amounts of the Company's assets and liabilities at the end of the reporting period from uncertain future events and on the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Estimates, Judgments and Assumptions

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2023, are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended September 30, 2023.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

3. PROPERTY AND EQUIPMENT

	Computer Equipment \$	Exploration Equipment \$	Leasehold Improvement \$	Total \$
Cost:				
Balance, September 30, 2022	4,552	165,030	30,681	200,263
Additions	-	-	-	-
Balance, September 30, 2023	4,552	165,030	30,681	200,263
Additions	-	-	-	-
Balance, December 31, 2023	4,552	165,030	30,681	200,263
Accumulated depreciation:				
Balance, September 30, 2022	1,274	55,914	5,844	63,032
Additions	656	32,735	5,844	39,235
Balance, September 30, 2023	1,930	88,649	11,668	102,267
Additions	131	5,729	1,461	7,361
Balance, December 31, 2023	2,061	94,378	13,149	109,568
Net Book Value, September 30, 2023	2,622	76,381	19,013	97,996
Net Book Value, December 31, 2023	2,491	70,652	17,532	90,675

4. RIGHT OF USE ASSET AND LEASE LIABILITIES

On October 1, 2021, the Company entered into a 63-month office lease agreement. In analysing the identified agreement, the Company applied the lease accounting model pursuant to IFRS 16 and considered all the facts and circumstances surrounding the inception of the agreement. The lease term matures on December 31, 2026.

For the period ended December 31, 2023, depreciation of the right of use asset was \$18,910 (2022 - \$18,909). The right of use asset is depreciated on a straight-line basis over 63 months.

Right of use asset, September 30, 2022	\$ 321,464
Depreciation of right of use asset	(75,638)
Right of use asset, September 30, 2023	245,826
Depreciation of right of use asset	(18,910)
Right of use asset December 31, 2023	\$ 226,916

For the period ended December 31, 2023, finance charges on the lease liability were \$11,239 (2022 - \$13,694).

Lease liabilities, September 30, 2022	\$ 347,053
Accretion	51,214
Payments	(111,782)
Lease liabilities, September 30, 2023	286,485
Accretion	11,239
Payments	(27,945)
Lease liabilities, December 31, 2023	\$ 269,779
Current lease liabilities	73,880
Long-term lease liabilities	195,899
Total lease liabilities at December 31, 2023	\$ 269,779

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

5. EXPLORATION AND EVALUATION ASSETS

Period Ended December 31, 2023	Newmont Lake British Columbia, Canada	Total
Acquisition Costs:		
Balance, beginning of period	\$ 5,038,023	\$ 5,038,023
Other	55	55
Balance, end of period	5,038,078	5,038,078
Deferred Exploration Costs:		
Balance, beginning of period	23,815,325	23,815,325
Assay	104,369	104,369
Geological consulting and related services	28,750	28,750
Drilling, exploration, and camp costs	1,911,564	1,911,564
Travel	4,371	4,371
Balance, end of period	25,864,379	25,864,379
Total	\$ 30,902,457	\$ 30,902,457

Year Ended September 30, 2023	Newmont Lake British Columbia, Canada	Total
Acquisition Costs:		
Balance, beginning of year	\$ 4,967,028	\$ 4,967,028
Other	60,000	60,000
Cash payments	10,995	10,995
Balance, end of year	5,038,023	5,038,023
Deferred Exploration Costs:		
Balance, beginning of year	23,010,545	23,010,545
Assay	519,400	519,400
Geological consulting and related services	191,641	191,641
Drilling, exploration and camp costs	763,027	763,027
Supplies	9,942	24,179
Travel	24,179	(703,409)
BC METC Recovery	(703,409)	23,010,545
Balance, end of year	23,815,325	23,815,325
Total	\$ 28,853,348	\$ 28,853,348

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

5. EXPLORATION AND EVALUATION ASSETS (continued)

Newmont Lake Claims, British Columbia

In September 2018, the Company entered into a letter agreement for an option to acquire a 100% interest in the Newmont Lake mineral property from Romios Gold Resources Inc. (“Romios”). Pursuant to the agreement, the Company has now acquired 100% interest in the property by completing the following:

Completed:

- pay \$250,000 immediately upon signing.
- pay \$250,000 at 90 days following the regulatory approval.
- pay \$250,000 at 180 days following the regulatory approval.
- pay \$250,000 at 270 days following the regulatory approval.
- issue 4,000,000 shares upon the regulatory approval.
- issue 4,000,000 shares on November 29th, 2020.
- issue 4,000,000 shares on November 29th, 2021.
- incur approximately \$3,000,000 of exploration expenditures by February 22nd, 2020.
- incur approximately \$2,500,000 of exploration expenditures by February 22nd, 2021.
- incur approximately \$2,500,000 of exploration expenditures by February 22nd, 2022.
- incur an underlying annual payment of \$30,000.
- pay \$1,000,000 concurrently with the Company vesting 100% interest in the Romios Claims by February 22, 2022.

The claims are subject to a 2% Net Smelter Royalty (“NSR”) held by Romios. Up to 1% of the Net Smelter Royalty (“NSR”) can be bought back by the Company in increments of 0.5% for \$2,000,000 per 0.5% (gross total \$4,000,000 for 1%) for a period of two years upon 100% earn-in of the Romios Claims. The Company will issue 2,000,000 shares to Romios in the event a NI 43-101 compliant resource estimate which exceeds 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred) is confirmed/executed. An additional 1,000,000 shares of the Company will be issued to Romios for each additional 1,000,000 ounces of gold equivalent resources (being the sum of indicated and inferred). The shares represent contingent consideration and the Company has assessed the fair value of the contingent consideration to be \$Nil as at the acquisition date and December 31, 2023.

As of December 31, 2023, the Company had \$200,000 (September 30, 2023 - \$200,000) as a deposit with the Ministry of Energy & Mines in connection with future camp reclamation at Newmont Lake.

Tom Cat Claims, British Columbia

The Company owned a 100% interest in certain mining claims, known as the Tom Cat Claims, located in the Nicola Mining District, British Columbia. The claims are subject to a 2% NSR, of which 1% may be purchased for \$2,000,000 for five years from the start of commercial production.

In June 2022, the Company forfeited the Tom Cat Claims. The Company determined that it would continue to focus on the Newmont Lake project and that no further exploration work was warranted in the near future. The accumulated property acquisition costs and deferred exploration costs which totaled \$196,311 were written-off in 2022.

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

6. SHARE CAPITAL AND EQUITY RESERVES

During the period ended December 31, 2023, and year ended September 30, 2023, the Company issued no shares.

Stock Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

A summary of changes in options is as follows:

	Number of options	Weighted average exercise price
Outstanding September 30, 2022	927,000	\$ 0.14
Issued	150,000	0.17
Cancelled/Expired	(15,000)	0.23
Outstanding September 30, 2023	1,062,000	0.15
Outstanding December 31, 2023	1,062,000	\$ 0.15

The following stock options were outstanding at December 31, 2023:

Expiry Date	Exercise Price	Number of Options	Number of Options Exercisable
June 24, 2024	\$ 0.35	47,000	47,000
June 17, 2025	\$ 0.12	765,000	765,000
June 30, 2025	\$ 0.22	100,000	100,000
November 15, 2027	\$ 0.17	150,000	150,000
		1,062,000	1,062,000

Share-based payments

On November 15, 2022, the Company granted the President of Company 1,500,000 incentive stock options at an exercise price of \$0.17. The options all vested on the grant date and will expire on November 15, 2027. During the period ended December 31, 2023, the Company recognized \$nil (2022 - \$58,353) on options granted and vested throughout the period.

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

6. SHARE CAPITAL AND EQUITY RESERVES (continued)*Share-based payments (continued)*

The weighted average fair value of each stock option granted during the period was \$0.15 (September 30, 2023 - \$0.15), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended December 31, 2023	Year ended September 30, 2023
Volatility	-	102.77%
Risk-free interest rate	-	3.32%
Dividend yield	-	0.00%
Expected life	-	5.0 years
Expected forfeiture rate	-	0.00%

Warrants

A summary of changes in warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding September 30, 2023 and 2022	2,221,900	\$ 0.15
Outstanding December 31, 2023	2,221,900	\$ 0.15

The following warrants were outstanding at December 31, 2023:

Number of Warrants	Exercise Price	Expiry Date
1,000,200	\$ 0.15	November 19, 2024
1,221,700	\$ 0.15	December 19, 2024
2,221,900		

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

7. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

a) Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and companies controlled by them. The Company also transacts with corporations controlled by officers of the Company for the primary purpose of acquiring exploration and evaluation services. The remuneration of directors and other members of key management personnel during the period ended December 31, 2023, and 2022 were as follows:

	2023	2022
Consulting fees	\$ 120,000	\$ 121,500
Share-based payments	-	58,353
	\$ 120,000	\$ 179,853

b) The Company also transacts with corporations controlled by officers of the Company for the primary purpose of acquiring exploration and evaluation services. The remuneration paid to related parties for exploration and evaluation activities during the period ended December 31, 2023, and 2022 were as follows:

	2023	2022
Exploration and evaluation expenditures	\$ 320,310	\$ 46,588

c) Amounts due to/from related parties

In the normal course of operations, the Company transacts with corporations controlled by directors or officers of the Company. All amounts payable and receivable are non-interest bearing, unsecured and due on demand and also include amounts advanced for services to be rendered. The following table summarizes the amounts due to / (from) related parties:

	December 31, 2023	September 30, 2023
HEG & Associates Exploration Services	\$ (294,433)	\$ 88,264
Directors and Management (Current)	(9,746)	(2,067)
Catalina Discovery Ltd.	(48,750)	(44,683)
	\$ (352,929)	\$ 41,514

8. LOAN PAYABLE

During the year ended September 30, 2021, the Company received an additional \$20,000 loan from the Canada Emergency Business Account to provide emergency support to businesses due to the impact of COVID-19. The total loan of \$60,000 is non-interest bearing until January 18, 2024, after which it will incur interest at 5% per annum. If the principal of \$40,000 is fully repaid on or before January 18, 2024, the remaining \$20,000 will be forgiven. The loan was fully repaid before January 18, 2024.

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(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

9. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On May 19, 2022, the Company issued 3,333,334 flow-through shares at a purchase price of \$0.30 per flow-through share for gross proceeds of \$1,000,000. The flow-through shares were issued at a premium of \$0.04 per share. As a result, a flow-through premium liability of \$133,333 was recorded.

On May 19, 2022, the Company issued 24,000,000 flow-through shares at a purchase price of \$0.365 per flow-through share for gross proceeds of \$8,760,000. The flow-through shares were issued at a premium of \$0.105 per share. As a result, a flow-through premium liability of \$2,520,000 was recorded.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and expenditure requirements	Flow-through premium liability
Balance, September 30, 2022	\$ 3,527,404	\$ 1,015,801
Flow-through expenditures incurred and reduction of liability	(1,490,204)	(428,689)
Balance, September 30, 2023	2,037,200	587,112
Flow-through expenditures incurred and reduction of liability	(2,037,200)	(587,112)
Balance, December 31, 2023	\$ -	\$ -

The reduction in the flow-through share premium liability is recorded in other income upon incurring flow through eligible expenditures. The Company has met its flow through obligations as at December 31, 2023.

10. RECLAMATION PROVISION

During the year ended September 30, 2022, the Company incurred a reclamation liability in connection with the completion of the option agreement with Romios Gold Resources Inc. (Note 5). The initial undiscounted value of the obligation was \$232,653 and during the year ended September 30, 2022, the Company completed \$101,914 of work reducing the estimated balance to \$130,739. No additional reclamation work was completed during the period ended December 31, 2023.

A reconciliation of the changes in the Company's reclamation provision is as follows:

Balance at September 30, 2022	\$	130,739
Reclamation work completed during the year		(-)
Balance at September 30, 2023		130,739
Reclamation work completed during the period		(-)
Balance at December 31, 2023	\$	130,739

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

11. CAPITAL MANAGEMENT

The Company's primary objectives in capital management is to safeguard the Company's ability to continue as a going concern in order to provide a return for shareholders and to maintain sufficient funds to finance its exploration and evaluation interests. Capital is comprised of the Company's shareholders' equity. As at December 31, 2023, the Company's shareholders' equity was \$30,315,155 (September 30, 2023 – \$28,837,265).

The Company manages its capital structure to maximize its financial flexibility by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended December 31, 2023.

12. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

The carrying value of the Company's receivables, accounts payable and accrued liabilities, due to related parties, and loans payable approximate their fair value because of the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement. Loans payable are accounted for using the effective interest rate method.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2023, the Company had a cash balance of \$145,459 (September 30, 2023 - \$487,498) to settle current liabilities of \$1,231,247 inclusive of \$Nil flow-through premium liability, (September 30, 2023 - \$1,365,369, flow-through premium liability - \$587,112). The Company requires additional funding to fund its current obligations.

All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and additional equity financing.

ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Three Months Ended December 31, 2023

12. FINANCIAL RISK FACTORS (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company is not exposed to any significant interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency.

As at December 31, 2023, the Company had minimal cash amounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company's net income or loss, and ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in mineral prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended December 31, 2023, include the Company:

- i) had an accounts payable balance of \$358,183 related to exploration and evaluation asset expenditures.
- ii) had an accounts payable balance of \$83,432 related to equipment.

Significant non-cash transactions during the year ended September 30, 2023, include the Company:

- i) had an accounts payable balance of \$54,072 related to exploration and evaluation asset expenditures.
- ii) had an accounts payable balance of \$83,432 related to equipment.
- i) had \$95,319 expense recovery relating to accounts payable write-offs.

14. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's total equipment and exploration and evaluation assets at December 31, 2023 were \$30,902,457 (September 30, 2023 - \$28,853,348).

15. SUBSEQUENT EVENT

Subsequent to period ended December 31, 2023, the Company closed a non-brokered private placement of 4,093,123 units at a purchase price of \$0.40 per unit for gross proceeds of \$1,637,250. Each unit is comprised of 1 common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a purchase price of \$0.80/ share for a period of three years. The Company paid aggregate finders' fees of \$1,750 and issued an aggregate of 4,375 finders warrants upon closing the offering. Each finder warrant entitles the holder to acquire one common share at a purchase price of \$0.40/share for a period of three years from the date of issuance.