



# **ENDURO METALS CORPORATION**

**Condensed Interim Consolidated Financial Statements**

**For the six months ended March 31, 2024, and 2023**

**(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 March 31, 2024, and for the periods ended March 31, 2024 and 2023, have not been audited or reviewed by the Company's independent auditors.

"Cole Evans"  
Cole Evans  
President & CEO  
May 30, 2024

"Malcolm Davidson"  
Malcolm Davidson, CPA, CA  
Chief Financial Officer  
May 30, 2024

**ENDURO METALS CORPORATION**

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Note	March 31 2024 (Unaudited)	September 30, 2023
<b>ASSETS</b>			
Current assets			
Cash		\$ 209,438	\$ 487,498
Taxes receivable		29,524	28,733
Due from related parties	7c	-	41,514
Prepaid expenses and deposits		15,481	43,204
<b>Total current assets</b>		<b>254,443</b>	<b>600,949</b>
Property and equipment	3	16,071	97,996
Right of use asset	4	208,006	245,825
Deposit	5	200,000	200,000
Exploration advances		50,000	420,000
Exploration and evaluation assets	5	30,891,337	28,853,348
<b>Total Assets</b>		<b>\$ 31,619,857</b>	<b>\$ 30,418,118</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 328,735	\$ 516,516
Due to related parties	7c	345,276	-
Lease liabilities – current	4	77,716	71,002
Loan payable	8	-	60,000
Flow-through premium liability	9	-	587,112
Reclamation provision	10	130,739	130,739
<b>Total current liabilities</b>		<b>882,466</b>	<b>1,365,369</b>
Lease liabilities – long term	4	174,679	215,484
<b>Total Liabilities</b>		<b>1,057,145</b>	<b>1,580,853</b>
<b>Equity</b>			
Share capital	6	59,151,234	57,516,115
Equity reserves	6	4,946,475	4,946,094
Share subscriptions receivable		-	-
Accumulated deficit		(33,534,997)	(33,624,944)
<b>Total Equity</b>		<b>30,562,712</b>	<b>28,837,265</b>
<b>Total Liabilities and Equity</b>		<b>\$ 31,619,857</b>	<b>\$ 30,418,118</b>

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

**Approved by the Board of Directors on May 30, 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)

	Note	Three Months Ended March 31,		Six Months Ended March 31,	
		2024	2023	2024	2023
<b>EXPENSES</b>					
Amortization and depreciation	3,4	\$ 22,862	\$ 28,717	\$ 49,092	\$ 57,436
Management and consulting fees	7	144,000	129,000	288,000	227,004
Director's fees		-	-	-	1,800
Interest on right of use asset	4	10,561	13,116	21,800	26,810
Corporate communications		14,982	62,163	76,248	153,121
Office and miscellaneous		32,470	32,681	39,279	41,709
Professional fees		89,763	8,887	126,662	58,767
Regulatory and compliance fees		15,127	27,904	27,895	46,472
Share-based payments	6		21,418	-	79,771
Travel		27,791	83,170	37,801	121,743
<b>Loss before other items</b>		<b>(358,556)</b>	<b>(407,056)</b>	<b>(666,777)</b>	<b>(814,633)</b>
<b>OTHER ITEMS</b>					
Income from flow-through premium	9	-	74,858	587,112	241,800
Loss on disposal of equipment		(20,652)	-	(20,652)	-
Gain on the disposal of debt		20,000	-	20,000	-
Write-off of accounts payable		170,264	124,753	170,264	115,319
<b>Net income (loss) and comprehensive income and (loss)</b>		<b>\$ (187,943)</b>	<b>\$ (207,445)</b>	<b>\$ 89,947</b>	<b>\$ (457,514)</b>
<b>Basic and diluted income (loss) per common share</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>26,057,076</b>	<b>24,099,494</b>	<b>25,083,634</b>	<b>24,099,494</b>

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)

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	<b>Number of shares</b>	<b>Share capital</b>	<b>Equity reserves</b>	<b>Accumulated deficit</b>	<b>Total equity</b>
<b>Balance, September 30, 2022</b>	24,099,494	\$ 57,516,115	\$ 4,756,471	\$ (32,538,058)	\$ 29,734,528
Share-based payments	-	-	79,771	-	79,771
Net loss and comprehensive loss for the period	-	-	-	(457,514)	(457,514)
<b>Balance, March 31, 2023</b>	24,099,494	57,516,115	4,836,242	(32,995,572)	29,356,785
Share-based payments	-	-	109,852	-	109,852
Net loss and comprehensive loss for the period	-	-	-	(629,372)	629,372
<b>Balance, September 30, 2023</b>	24,099,494	57,516,115	4,946,094	(33,624,944)	28,837,265
Private placement	4,093,125	1,635,119	381	-	1,635,500
Net loss and comprehensive income for the period	-	-	-	89,947	89,947
<b>Balance, March 31, 2024</b>	<b>28,192,619</b>	<b>\$ 59,151,234</b>	<b>\$ 4,946,475</b>	<b>\$ (33,534,997)</b>	<b>\$ 30,562,712</b>

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 Six Months Ended March 31, 2024

	<b>2024</b>	<b>2023</b>
Cash generated by (used in):		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 89,947	\$ (457,514)
Item not affecting cash:		
Amortization	49,092	57,436
Interest on right of use asset	21,800	26,810
Write-off of accounts payable	(170,264)	(115,319)
loss on disposal of equipment	20,652	-
Gain on the disposal of debt	(20,000)	-
Income from flow-through premium	(587,112)	(241,800)
Share-based payments	-	79,771
Changes in non-cash working capital items:		
Decrease (increase) in taxes receivables	(791)	314,730
Decrease (increase) in prepaids expenses and deposits	27,723	(59,416)
Increase (decrease) in accounts payable and accrued liabilities	(232,951)	148,303
Increase (decrease) in due from related parties	381,752	(409,576)
<b>Net cash used in operating activities</b>	<b>(242,386)</b>	<b>(656,575)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares – net	1,635,500	-
Lease payments	(55,891)	(55,891)
Loan repayments	(40,000)	-
<b>Net cash (used) provided by financing activities</b>	<b>1,539,609</b>	<b>(55,891)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets expenditures	(1,625,283)	(1,802,076)
Proceeds from the sale of equipment	50,000	-
<b>Net cash used in investing activities</b>	<b>(1,575,283)</b>	<b>(1,802,076)</b>
<b>Change in cash for the period</b>	<b>(278,060)</b>	<b>(2,514,542)</b>
<b>Cash, beginning of period</b>	<b>487,498</b>	<b>4,027,104</b>
<b>Cash, end of period</b>	<b>\$ 209,438</b>	<b>\$ 1,512,562</b>
<b>Cash paid during the period for interest</b>	<b>\$ -</b>	<b>\$ 26,810</b>
<b>Cash paid during the period for income taxes</b>	<b>\$ -</b>	<b>\$ -</b>

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 Six Months Ended March 31, 2024

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### **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. These 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 May 30, 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 Six Months Ended March 31, 2024

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### 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.

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the six months ended March 31, 2024, 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 Six Months Ended March 31, 2024

**3. PROPERTY AND EQUIPMENT**

	Computer Equipment \$	Exploration Equipment \$	Leasehold Improvement \$	Total \$
<b>Cost:</b>				
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
Disposals	-	(165,030)	-	(165,030)
Balance, March 31, 2024	4,552	-	30,681	35,233
<b>Accumulated depreciation:</b>				
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	2,622	5,729	2,922	11,273
Disposals	-	(94,378)	-	(94,378)
Balance, March 31, 2024	4,552	-	14,610	19,162
Net Book Value, September 30, 2023	<b>2,622</b>	<b>76,381</b>	<b>19,013</b>	<b>97,996</b>
<b>Net Book Value, March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>16,071</b>	<b>16,071</b>

**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 March 31, 2024, depreciation of the right of use asset was \$37,820 (2023 - \$37,819). 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		(37,820)
<b>Right of use asset March 31, 2024</b>	<b>\$</b>	<b>208,006</b>

For the period ended March 31, 2024, finance charges on the lease liability were \$22,251 (2023 - \$26,810).

Lease liabilities, September 30, 2022	\$	347,053
Accretion		51,214
Payments		(111,782)
Lease liabilities, September 30, 2023		286,485
Accretion		21,800
Payments		(55,890)
Lease liabilities, March 31, 2024	\$	252,395
Current lease liabilities		77,716
Long-term lease liabilities		174,679
<b>Total lease liabilities at March 31, 2024</b>	<b>\$</b>	<b>252,395</b>

**ENDURO METALS CORPORATION**

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2024

**5. EXPLORATION AND EVALUATION ASSETS**

<b>Period Ended</b>	Newmont Lake British Columbia, Canada		Total
<b>March 31, 2024</b>			
<b>Acquisition Costs:</b>			
Balance, beginning of period	\$ 5,038,023		\$ 5,038,023
Other		11,246	11,246
Balance, end of period	5,049,269		5,048,269
<b>Deferred Exploration Costs:</b>			
Balance, beginning of period	23,815,325		23,815,325
Assay		105,370	105,370
Geological consulting and related services		57,500	57,500
Drilling, exploration, and camp costs		1,860,504	1,860,504
Travel		4,369	4,369
Balance, end of period	25,843,068		25,843,068
<b>Total</b>	<b>\$ 30,891,337</b>		<b>\$ 30,891,337</b>
<b>Year Ended</b>			
<b>September 30, 2023</b>			
<b>Acquisition Costs:</b>			
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
<b>Deferred Exploration Costs:</b>			
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
<b>Total</b>	<b>\$ 28,853,348</b>		<b>\$ 28,853,348</b>

## ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2024

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### 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 March 31, 2024.

As of March 31, 2024, 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 Six Months Ended March 31, 2024

### 6. SHARE CAPITAL AND EQUITY RESERVES

During the period ended March 31, 2024, 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.

During the period 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
<b>Outstanding March 31, 2024</b>	<b>1,062,000</b>	<b>\$ 0.15</b>

The following stock options were outstanding at March 31, 2024:

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

During the period ended March 31, 2024, the Company recognized \$nil (2023 - \$79,771) 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 Six Months Ended March 31, 2024

**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:

	<b>Period ended March 31, 2024</b>	<b>Year ended September 30, 2023</b>
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
Granted	2,050,938	0.80
<b>Outstanding March 31, 2024</b>	<b>4,272,838</b>	<b>\$ 0.48</b>

The following warrants were outstanding at March 31, 2024:

Number of Warrants	Exercise Price	Expiry Date
1,000,200	\$ 0.15	November 19, 2024
1,221,700	\$ 0.15	December 19, 2024
2,050,938	\$ 0.80	February 26, 2026
<b>4,272,838</b>		

**ENDURO METALS CORPORATION**

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2024

**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 March 31, 2024, and 2023 were as follows:

	2024	2023
Consulting fees	\$ 240,000	\$ 157,500
Exploration and evaluation expenditures	-	318,897
Director fees	-	1,800
Share-based payments	-	79,771
	<u>\$ 240,000</u>	<u>\$ 557,968</u>

## 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 March 31, 2024, and 2023 were as follows:

	2024	2023
Exploration and evaluation expenditures	\$ 347,881	\$ 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:

	March 31, 2024	September 30, 2023
HEG & Associates Exploration Services	\$ 276,530	\$ (103,635)
Catalina Discovery Ltd.	15,750	44,688
LHC Finance Ltd.	6,000	3,000
William Slack	2,433	2,433
WJWS Advisory Ltd.	24,000	12,000
Malcolm Davidson, CPA, Inc.	10,500	-
Dylan Hunko	10,063	-
	<u>\$ 345,276</u>	<u>\$ 41,514</u>

## ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2024

### 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 would incur interest at 5% per annum. If the principal of \$40,000 was fully repaid on or before January 18, 2024, the remaining \$20,000 would be forgiven. The loan was fully repaid before January 18, 2024.

### 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:

	<b>Flow-through funding and expenditure requirements</b>	<b>Flow-through premium liability</b>
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	<b>2,037,200</b>	<b>587,112</b>
Flow-through expenditures incurred and reduction of liability	(2,037,200)	(587,112)
<b>Balance, March 31, 2024</b>	<b>\$ -</b>	<b>\$ -</b>

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 March 31, 2024.

### 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 March 31, 2024.

## ENDURO METALS CORPORATION

Notes Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

For the Six Months Ended March 31, 2024

### 6. RECLAMATION PROVISION (continued)

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 March 31, 2024	\$	130,739

### 7. 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 March 31, 2024, the Company's shareholders' equity was \$30,562,712 (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 March 31, 2024.

### 8. 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 March 31, 2024, the Company had a cash balance of \$209,438 (September 30, 2023 - \$487,498) to settle current liabilities of \$882,466 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 Six Months Ended March 31, 2024

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### 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 March 31, 2024, 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 March 31, 2024, include the Company:

- i) had an accounts payable balance of \$329,554 related to exploration and evaluation asset expenditures.

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 March 31, 2024 were \$30,891,337 (September 30, 2023 - \$28,853,348).

### 15. SUBSEQUENT EVENT

Subsequent to March 31, 2024, the Company granted incentive stock options to purchase up to an aggregate of 1,400,000 common shares in the capital of the Company with an exercise price of \$0.40 per share to consultants, officers and directors of the Company. All the Options vest immediately and will expire five years from the date of grant. The Company also issued 300,000 restricted share units Directors of the Company. Each RSU entitles the holder to acquire one Common Share on vesting. The RSUs will vest 1 year after the date of grant.