# ENDURO METALS CORPORATION

## Consolidated Financial Statements

## For the years ended September 30, 2024, and 2023

## (Expressed in Canadian Dollars)

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## INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Enduro Metals Corporation

### Opinion

We have audited the consolidated financial statements of Enduro Metals Corporation and its subsidiaries (the "Company") which comprise:

- the consolidated statements of financial position as at September 30, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2024 and 2023, and its consolidated financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in *Material Uncertainty Related to Going Concern* section, the key audit matters are communicated in our auditors' report as follows:

Evaluation of Impairment Indicators for Exploration and Evaluation Assets

*Key Audit Matter Description*

Refer to Note 2 Material Accounting Policies – Critical Judgments – Exploration and evaluation assets valuation, Note 2 Material Accounting Policies – Exploration and Evaluation Assets, and Note 5 – Exploration and Evaluation Assets. The Company has exploration and evaluation assets with a carrying value of $30,893,179 as at September 30, 2024.

We identified the evaluation of impairment indicators for exploration and evaluation assets as a key audit matter due to:

- The magnitude of exploration and evaluation assets and significance to the Company,

- The judgement in determining whether factors exist that indicate impairment, and
- The effort in performing procedures related to the evaluation of the existence of impairment indicators for exploration and evaluation assets.

*Audit Response*

Our approach to addressing the matter included the following procedures:

- We assessed the status of the Company’s rights to explore by inspecting government mineral claim registries and inquiring with management if any rights were not expected to be renewed,
- We assessed whether exploration and evaluation of the mineral property involved substantive expenditures and inquired to management on the Company’s plans to continue with such expenditures on its mineral property, and
- We evaluated management’s assessment of potential impairment indicators and determined whether management’s assessment was consistent with:
    - Information included in the Company's news releases, management's discussion and analysis, and other public filings
    - Evidence obtained in other areas of the audit, including the results of exploration activities
    - Information obtained from reading internal communications to management and the Board of Directors meeting minutes and resolutions

**Other Information**

Management is responsible for the other information. The other information comprises the Company’s Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
January 28, 2025

**ENDURO METALS CORPORATION**
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at September 30,

| | Note | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets | | | |
| Cash | | $ 148,243 | $ 487,498 |
| Taxes receivable | | 88,051 | 28,733 |
| Lease assets – current | **4** | 85,860 | - |
| Due from related parties | **7c** | - | 41,514 |
| Prepaid expenses and deposits | | 4,998 | 43,204 |
| Total current assets | | 327,152 | 600,949 |
| Property and equipment | **3** | 13,149 | 97,996 |
| Right of use asset | **4** | - | 245,825 |
| Lease assets – long term | **4** | 129,624 | - |
| Deposit | **5** | 200,000 | 200,000 |
| Exploration advances | | 50,000 | 420,000 |
| Exploration and evaluation assets | **5** | 30,893,179 | 28,853,348 |
| **Total Assets** | | $ 31,613,104 | $ 30,418,118 |
| **LIABILITIES** | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | $ 588,265 | $ 516,516 |
| Due to related parties | **7c** | 658,011 | - |
| Lease liabilities – current | **4** | 85,860 | 71,002 |
| Loan payable | **8** | - | 60,000 |
| Flow-through premium liability | **9** | - | 587,112 |
| Reclamation provision | **10** | 130,739 | 130,739 |
| Total current liabilities | | 1,462,875 | 1,365,369 |
| Lease liabilities – long term | **4** | 129,624 | 215,484 |
| **Total Liabilities** | | 1,592,499 | 1,580,853 |
| **Equity** | | | |
| Share capital | **6** | 58,619,128 | 57,516,115 |
| Equity reserves | **6** | 5,837,014 | 4,946,094 |
| Accumulated deficit | | (34,435,537) | (33,624,944) |
| **Total Equity** | | 30,020,605 | 28,837,265 |
| **Total Liabilities and Equity** | | $ 31,613,104 | $ 30,418,118 |

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

**Approved by the Board of Directors on January 28, 2025:**

*"Susanne Hermans"*
Susanne Hermans, Director

*"Cole Evans"*
Cole Evans, Director

**ENDURO METALS CORPORATION**
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the Years Ended September 30,

| | Note | 2024 | 2023 |
|---|---|---|---|
| **EXPENSES** | | | |
| Amortization of property and equipment | **3** | $ 14,195 | $ 39,234 |
| Amortization of right of use asset | **4** | 69,335 | 75,639 |
| Management and consulting fees | **7** | 552,000 | 575,004 |
| Director's fees | | - | 1,800 |
| Interest expense on lease | **4** | 40,780 | 51,214 |
| Corporate communications | | 72,009 | 265,908 |
| Office and miscellaneous | | 56,361 | 81,452 |
| Professional fees | | 211,915 | 132,181 |
| Regulatory and compliance fees | | 39,453 | 51,874 |
| Share-based payments | **6** | 358,433 | 189,623 |
| Travel | | 40,731 | 146,965 |
| **Loss before other items** | | (1,455,212) | (1,610,894) |
| **OTHER ITEMS** | | | |
| Income from flow-through premium | **9** | 587,112 | 428,689 |
| Loss on disposal of equipment | | (20,652) | - |
| Gain on de-recognition of debt | **8** | 20,000 | - |
| Interest expense | | (80,915) | - |
| Gain on recognition of lease assets | **4** | 45,351 | - |
| Other income | | 3,801 | - |
| Finance income | | 2,958 | - |
| De-recognition of accounts payable | | 86,964 | 95,319 |
| **Net loss and comprehensive loss** | | $ (810,593) | $ (1,086,886) |
| **Basic and diluted loss per common share** | | $ (0.03) | $ (0.05) |
| **Weighted average number of common shares outstanding – basic and diluted** | | 26,638,126 | 24,099,494 |

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

**ENDURO METALS CORPORATION**
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
For the Years Ended September 30,

| | Number of shares | Share capital | 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 | - | - | 189,623 | - | 189,623 |
| Net loss and comprehensive loss for the year | - | - | - | (1,086,886) | (1,086,886) |
| **Balance, September 30, 2023** | 24,099,494 | 57,516,115 | 4,946,094 | (33,624,944) | 28,837,265 |
| Private placement | 4,093,125 | 1,105,144 | 532,106 | - | 1,637,250 |
| Share issuance costs | - | (2,131) | 381 | - | (1,750) |
| Share based payments | - | - | 358,433 | - | 358,433 |
| Net loss and comprehensive loss for the year | - | - | - | (810,593) | (810,593) |
| **Balance, September 30, 2024** | **28,192,619** | **$ 58,619,128** | **$ 5,837,014** | **$ (34,435,537)** | **$ 30,020,605** |

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

**ENDURO METALS CORPORATION**
Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)
For the Years Ended September 30,

| | 2024 | 2023 |
|---|---|---|
| Cash generated by (used in): | | |
| **OPERATING ACTIVITIES** | | |
| Net loss for the year | $ (810,593) | $ (1,086,886) |
| Item not affecting cash: | | |
| Amortization of property and equipment | 14,195 | 39,234 |
| Amortization of right of use asset | 69,335 | 75,639 |
| Interest expense on lease | 40,780 | 51,485 |
| De-recognition of accounts payable | (86,964) | (95,319) |
| Finance income | (2,958) | - |
| Gain on recognition of lease assets | (45,351) | - |
| Loss on disposal of equipment | 20,652 | - |
| Gain on de-recognition of debt | (20,000) | - |
| Income from flow-through premium | (587,112) | (428,689) |
| Share-based payments | 358,433 | 189,623 |
| Changes in non-cash working capital items: | | |
| Decrease (increase) in taxes receivables | (59,318) | 314,448 |
| Decrease (increase) in prepaids expenses and deposits | 38,206 | 28,763 |
| Increase (decrease) in accounts payable and accrued liabilities | (108,615) | 543,710 |
| Increase (decrease) in due from related parties | 699,525 | (221,603) |
| Net cash used in operating activities | (479,785) | (589,595) |
| **FINANCING ACTIVITIES** | | |
| Proceeds from issuance of units – net | 1,635,500 | - |
| Lease payments – net | (71,397) | (112,052) |
| Loan repayments | (40,000) | - |
| Net cash (used) provided by financing activities | 1,524,103 | (112,052) |
| **INVESTING ACTIVITIES** | | |
| Exploration and evaluation assets expenditures | (1,433,573) | (2,617,959) |
| Advances on exploration and evaluation assets expenditures | - | (220,000) |
| Proceeds from the sale of equipment | 50,000 | - |
| Net cash used in investing activities | (1,383,573) | (2,837,959) |
| **Change in cash for the year** | (339,255) | (3,539,606) |
| **Cash, beginning of year** | 487,498 | 4,027,104 |
| **Cash, end of year** | $ 148,243 | $ 487,498 |
| **Cash paid during the year for interest** | $ 40,780 | $ 51,214 |
| **Cash paid during the year for income taxes** | $ - | $ - |

**Supplemental disclosure with respect to cash flows (Note 13)**

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

(Expressed in Canadian Dollars)

## 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 "SOG0". 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 – 730 Vaughan Avenue, Kelowna, BC, V1Y 7E4, 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 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 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. All share information presented in the consolidated financial statements has been retroactively adjusted to reflect the share consolidation.

## 2. MATERIAL ACCOUNTING POLICIES

### Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

### Basis of Presentation

The policies applied in the consolidated financial statements are presented below as of January 28, 2025, the date the Board of Directors approved the consolidated financial statements.

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

These 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 |

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Critical 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 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 areas which require management to make critical significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Critical Judgments

*Deferred taxes*

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

*Functional currency*

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

*Exploration and evaluation assets valuation*

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale. At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of impairment, if any. Indicators of impairment may include (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at September 30, 2024.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Critical Estimates, Judgments and Assumptions (continued)

Critical Estimates

*Share-based payments*

Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

*Reclamation provision*

The Company's provision for reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at the Newmont Lake property. The provision reflects estimates of future reclamation costs, inflation and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors could result in a change to the provision recognized by the Company.

### Foreign Exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

### Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value. Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Decommissioning and Restoration Provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

### Property and Equipment

Property and equipment is recorded at cost and amortized using the declining balance method at the following rates per annum.

| | |
|---|---|
| Computer equipment | 55% to 100% per annum |
| Furniture and equipment | 20% per annum |
| Machinery and equipment | 30% per annum |
| Vehicles | 30% per annum |
| Building | 4% per annum |
| Leasehold improvements | Straight-line method |
| Right of use asset | Straight-line method |

## 2. MATERIAL ACCOUNTING POLICIES (continued)

**Property and Equipment** (continued)

Property and equipment that is withdrawn from use or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Current year additions are amortized at half of the normal rate. The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of property and equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

**Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant measured using the Black-Scholes option pricing model are charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. If the options expire unexercised, the share-based payments remain in share-based payment reserve.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Financial Instruments

*Recognition*

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

*Classification and Measurement*

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories. Those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

The classification and measurement bases of the Company's financial instruments are as follows:

| | IFRS 9 Classification |
|---|---|
| Cash | FVTPL |
| Lease assets | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Due to/from related parties | Amortized cost |
| Lease liabilities | Amortized cost |
| Loans payable | Amortized cost |

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required for items such as instruments held for trading or derivatives; or,
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

**Financial Instruments** (continued)

*.Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the expected credit loss has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables, the Company has no material loss allowance as at September 30, 2024.

The Company is required to disclose the inputs used in fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

**Income Taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Loss per Share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants, and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### Leases

Under IFRS 16 Leases ("IFRS 16"), the Company assesses whether a contract to rent an item of property and equipment is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and a lease liability at the commencement date.

Pursuant to the IFRS 16 lessee accounting model, the right-of-use asset is initially measured at cost, which includes the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimates of costs to remove or dismantle the underlying asset or to restore the underlying asset or site on which the asset is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid as of the lease commencement date, discounted using the rate implicit in the lease or, if the implicit rate cannot be readily determined, the Company's incremental borrowing rate.

The measurement of lease liabilities includes the following types of lease payments:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as of the commencement date;
- Amounts expected to be payable under any residual value guarantees; and
- Exercise price for options that the Company is reasonably certain to exercise for an extension or option to buy, and penalties for early termination of a lease unless the Company is reasonably certain that it will not terminate the lease early. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is remeasured in the following circumstances:

- If there is a change in the future lease payments resulting from a change in index or rate;
- If there is a change in the Company's estimation of the amount expected to be payable under a residual value guarantee; and
- If the Company changes its assessment of whether it will exercise an option to purchase, extend or terminate.

If an underlying asset is re-leased by a lessee to a third party and the original lessee retains the primary obligation under the original lease, the transaction is a sublease and the original lessee continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as the lessor. When the head lease is a short-term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria by reference to the right-of-use asset arising from the head lease.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### Flow-through Shares

The Company has financed a portion of its exploration expenditures through the issuance of flow-through shares. Canadian income tax law permits the Company to transfer the tax deductibility of qualifying resource expenditures financed by such shares to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company. The shares are usually issued at a premium to the trading price of the Company's shares.

On issuance, the Company allocates the flow-through share proceeds to i) share capital, ii) warrants, and iii) a flow-through share premium, if any, using the residual value method. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. Any premium is recorded as a flow-through share premium liability which is reversed into profit or loss as other income when the eligible expenditures are incurred.

At the end of a period, the flow-through share premium liability consists of the portion of the premium on flow-through shares that corresponds to the portion of qualifying exploration expenditures that have not yet been incurred.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a prescribed year. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

### Government Assistance

The Company records government assistance provided there is reasonable assurance that the Company has complied and will continue to comply with all conditions of the government funding. Government assistance relating to current expenses is recognized in profit or loss and is included as a decrease to the related line item in the consolidated statements of loss and comprehensive loss.

### 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.

(Expressed in Canadian Dollars)

## 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 |
| Disposals | - | (165,030) | - | (165,030) |
| Balance, September 30, 2024 | 4,552 | - | 30,681 | 35,233 |
| **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 | 11,688 | 102,267 |
| Additions | 2,622 | 5,729 | 5,844 | 14,195 |
| Disposals | - | (94,378) | - | (94,378) |
| Balance, September 30, 2024 | 4,552 | - | 17,532 | 22,084 |
| Net Book Value, September 30, 2023 | **2,622** | **76,381** | **18,993** | **97,996** |
| **Net Book Value, September 30, 2024** | **-** | **-** | **13,149** | **13,149** |

## 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 year ended September 30, 2024, depreciation of the right of use asset was $69,335 (2023 - $75,639). 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 | | (75,639) |
| Right of use asset, September 30, 2023 | | 245,825 |
| Depreciation of right of use asset | | (69,335) |
| De-recognition of right of use asset | | (176,490) |
| **Right of use asset September 30, 2024** | **$** | **-** |

For the year ended September 30, 2024, finance charges on the lease liability were $40,780 (2023 - $51,214).

| | | |
|---|---|---|
| Lease liabilities, September 30, 2022 | $ | 347,053 |
| Accretion | | 51,215 |
| Payments | | (111,782) |
| Lease liabilities, September 30, 2023 | | 286,486 |
| Accretion | | 40,780 |
| Payments | | (111,782) |
| Lease liabilities, September 30, 2024 | $ | 215,484 |
| Current lease liabilities | | 85,860 |
| Long-term lease liabilities | | 129,624 |
| **Total lease liabilities at September 30, 2024** | **$** | **215,484** |

(Expressed in Canadian Dollars)

## 4. RIGHT OF USE ASSET AND LEASE LIABILITIES (continued)

On September 1, 2024, the Company sublet its office premises and entered into 28-month office lease agreements with two tenants. The lease terms mature on December 31, 2026. In analysing the identified agreements, the Company applied the lease accounting model pursuant to IFRS 16 and continues to account for the original lease as a lessee and for the subleases as the lessor. On the sublease commencement date the Company derecognized the right of use asset and recognized lease assets for the net investment in the subleases which resulted in a gain on recognition of lease assets of $45,351 (2023 - $Nil).

| | | |
|---|---|---|
| Lease assets, September 30, 2023 and 2022 | $ | - |
| Recognition of lease assets | | 221,841 |
| Finance income | | 2,958 |
| Payments | | (9,315) |
| Lease assets, September 30, 2024 | $ | 215,484 |
| Current lease assets | | 85,860 |
| Long-term lease assets | | 129,624 |
| **Total lease assets at September 30, 2024** | **$** | **215,484** |

## 5. EXPLORATION AND EVALUATION ASSETS

| | | Newmont Lake British Columbia, Canada |
|---|---|---|
| **Acquisition Costs:** | | |
| Balance, beginning of year | $ | 5,038,023 |
| Other | | 10,246 |
| Balance, end of year | | 5,048,269 |
| **Exploration Costs:** | | |
| Balance, beginning of year | | 23,815,325 |
| Assay | | 108,035 |
| Geological consulting and related services | | 115,000 |
| Drilling, exploration, and camp costs | | 1,800,928 |
| Travel | | 5,622 |
| Balance, end of year | | 25.844,910 |
| **Total** | **$** | **30,893,179** |

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

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

Newmont Lake Claims, British Columbia

The Company owns a 100% interest in the Newmont Lake mineral property after satisfying all the option terms in the year ended September 30, 2022. The following information is the historical option terms which were completed.

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 acquired a 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.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

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 September 30, 2024.

As of September 30, 2024, the Company had $200,000 (2023 - $200,000) as a deposit with the Ministry of Energy & Mines in connection with future camp reclamation at Newmont Lake.

## 6. SHARE CAPITAL AND EQUITY RESERVES

During the year ended September 30, 2024, the Company closed a non-brokered private placement of 4,093,125 units at a purchase price of $0.40 per unit for gross proceeds of $1,637,250. Each unit is comprised of one 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 per share for a period of three years. Using the residual value method, the Company allocated $1,105,144 of the proceeds to the common shares and $532,106 of the proceeds to the share purchase warrants. 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 per share for a period of three years from the date of issuance.

During the 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 | $ 1.40 |
| Issued | 150,000 | 1.70 |
| Cancelled/Expired | (15,000) | 2.30 |
| Outstanding September 30, 2023 | 1,062,000 | 1.50 |
| Issued | 1,400,000 | 0.40 |
| Cancelled/Expired | (47,000) | 3.50 |
| **Outstanding September 30, 2024** | **2,415,000** | **$ 0.79** |

(Expressed in Canadian Dollars)

## 6. SHARE CAPITAL AND EQUITY RESERVES (continued)

Stock Options (continued)

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

| Expiry Date | Exercise Price | Number of Options | Number of Options Exercisable |
|---|---|---|---|
| June 17, 2025 | $ 1.20 | 765,000 | 765,000 |
| June 30, 2025 | $ 1.70 | 100,000 | 100,000 |
| November 15, 2027 | $ 1.70 | 150,000 | 150,000 |
| April 4, 2029 | $ 0.40 | 1,400,000 | 1,400,000 |
| | | 2,415,000 | 2,415,000 |

*Share-based payments*

During the year ended September 30, 2024, the Company recognized $328,929 (2023 - $189,623) on options granted and vested throughout the year.

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 vested immediately and will expire five years from the date of grant.

The weighted average fair value of each stock option granted during the year was $0.40 (2023 - $0.15), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

| | **Year ended September 30, 2024** | **Year ended September 30, 2023** |
|---|---|---|
| Volatility | 95.37% | 102.77% |
| Risk-free interest rate | 3.62% | 3.32% |
| Dividend yield | 0.00% | 0.00% |
| Expected life | 5.0 years | 5.0 years |
| Expected forfeiture rate | 0.00% | 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 | $ | 1.50 |
| Granted | 2,050,938 | | 0.80 |
| **Outstanding September 30, 2024** | **4,272,838** | **$** | **1.25** |

(Expressed in Canadian Dollars)

## 6. SHARE CAPITAL AND EQUITY RESERVES (continued)

Warrants (continued)

The following warrants were outstanding at September 30, 2024:

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 1,000,200 | $ 1.50 | November 19, 2024 |
| 1,221,700 | $ 1.50 | December 19, 2024 |
| 2,050,938 | $ 0.80 | February 26, 2026 |
| 4,272,838 | | |

**Restricted Share Units**

On December 14, 2023, the Company's Restricted Share Unit ("RSU") Plan was approved by its shareholders. The RSU Plan is administered by the Compensation Committee under the supervision of the Board of Directors as compensation to officers, directors, consultants, and employees. The Compensation Committee determines the terms and conditions upon which a grant is made, including any performance criteria or vesting period.

Upon vesting, each RSU entitles the participant to receive one common share, provided that the participant is continuously employed with or providing services to the Company. RSUs track the value of the underlying common shares, but do not entitle the recipient to the underlying common shares until such RSUs vest, nor do they entitle a holder to exercise voting rights or any other rights attached to ownership or control of the common shares, until the RSU vests and the RSU participant receives common shares.

A summary of changes in restricted share units is as follows:

| | |
|---|---|
| Outstanding September 30, 2023, and 2022 | - |
| Issued | 300,000 |
| Cancelled/Expired | - |
| **Outstanding September 30, 2024** | **300,000** |

*Share-based payments*

During the year ended September 30, 2024, 300,000 RSUs (September 30, 2023 – Nil) were granted and the Company recognized $29,505 (2023 – Nil) in relation to RSUs. The weighted average fair value at the measurement date was $0.33, based on the TSX market price of the Company's shares on the date the RSUs were granted. The RSUs vest in tranches with one-third of the RSUs vesting on each one-year anniversary from the grant date.

(Expressed in Canadian Dollars)

## 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 year ended September 30, 2024, and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Consulting fees | $ 483,000 | $ 457,500 |
| Director fees | - | 1,800 |
| Share-based payments | 329,063 | 189,623 |
| | $ 812,063 | $ 648,923 |

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 year ended September 30, 2024, and 2023 were as follows:

| | 2024 | 2023 |
|---|---|---|
| Exploration and evaluation expenditures | $ 405,381 | $ 713,545 |

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:

| | September 30, 2024 | September 30, 2023 |
|---|---|---|
| HEG & Associates Exploration Services | $ 281,391 | $ (88,264) |
| Catalina Discovery Ltd. | 110,250 | 44,683 |
| Directors and Management | - | 2,067 |
| William Slack | 2,432 | - |
| WJWS Advisory Ltd. | 96,000 | - |
| LHC Mine Finance Ltd. | 24,000 | - |
| Malcolm Davidson, CPA, Inc. | 73,500 | - |
| Dylan Hunko | 70,438 | - |
| | $ 658,011 | $ (41,514) |

(Expressed in Canadian Dollars)

## 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 principal of the loan was fully repaid before January 18, 2024 and the Company de-recognized the remaining balance of the loan payable.

## 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, September 30, 2024** | **$** | **-** | **$** | **-** |

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 September 30, 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 year ended September 30, 2024.

(Expressed in Canadian Dollars)

## 10. 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 year | | (-) |
| Balance at September 30, 2024 | $ | 130,739 |

## 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 September 30, 2024, the Company's shareholders' equity was $30,020,605 (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 year ended September 30, 2024.

## 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 September 30, 2024, the Company had a cash balance of $148,243 (2023 - $487,498) to settle current liabilities of $1,462,875 inclusive of $Nil flow-through premium liability, (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.

## 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 September 30, 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 year ended September 30, 2024, include the Company:

i) had an accounts payable balance of $431,394 related to exploration and evaluation asset expenditures.

ii) had a loss of $20,652 in the disposition of equipment.

iii) de-recognized $86,964 of accounts payable.

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) de-recognized $95,319 of accounts payable.

## 14. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets in Canada. The Company's total exploration and evaluation assets at September 30, 2024 were $30,893,179 (2023 - $28,853,348).

(Expressed in Canadian Dollars)

## 15. INCOME TAXES

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

| | 2024 | 2023 |
|---|---|---|
| Loss for the year | $ (810,593) | $ (1,086,886) |
| Expected income tax (recovery) | $ (219,000) | $ (293,000) |
| Permanent difference | (56,000) | (64,000) |
| Impact of flow-through shares | 509,000 | 419,000 |
| Adjustment to prior year's estimates | 19,000 | (1,270,000) |
| Change in unrecognized deductible temporary difference | (253,000) | 1,208,000 |
| **Total income tax expense (recovery)** | **$ -** | **$ -** |

The significant components of the Company's deferred tax assets and liabilities are as follows that have not been included on the consolidated statement of financial position as follows:

| | 2024 | 2023 |
|---|---|---|
| Deferred Tax Assets (liabilities) | | |
| Exploration and evaluation assets | $ (1,540,000) | $ (1,031,000) |
| Share issue cost | 11,000 | 39,000 |
| Property and equipment | 35,000 | 31,000 |
| Asset retirement obligation | 35,000 | 35,000 |
| Lease liability | 10,000 | 11,000 |
| Allowable capital losses | 898,000 | 898,000 |
| Non-capital losses | 4,995,000 | 4,714,000 |
| | 4,444,000 | 4,697,000 |
| Unrecognized deferred tax asset | (4,444,000) | (4,697,000) |
| **Net deferred tax assets** | **$ -** | **$ -** |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

| | **2024** | **Expiry date range** | **2023** | **Expiry date range** |
|---|---|---|---|---|
| **Temporary Differences** | | | | |
| Exploration and evaluation assets | $ (5,716,000) | No expiry date | $ (3,829,000) | No expiry date |
| Investment tax credit | 4,000 | 2020 to 2034 | 4,000 | 2020 to 2034 |
| Property and equipment | 130,000 | No expiry date | 116,000 | No expiry date |
| Share issue costs | 41,000 | 2045 to 2048 | 143,000 | 2044 to 2046 |
| Lease liability | 39,000 | No expiry date | 40,000 | No expiry date |
| Asset retirement obligation | 131,000 | No expiry date | 131,000 | No expiry date |
| Allowable capital losses | 3,326,000 | No expiry date | 3,326,000 | No expiry date |
| Non-capital losses available for future period | 18,501,000 | 2031 to 2044 | 17,458,000 | 2031 to 2043 |

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## 16. SUBSEQUENT EVENTS

Share Purchase Warrants

Subsequent to year-end, 2,221,900 share purchase warrants expired unexercised.

Commander Pending Transaction

On December 9, 2024, the Company entered into an agreement by way of a three-cornered amalgamation, to amalgamate with a wholly owned subsidiary of Enduro, with the shareholders of Commander Resources Ltd. ("Commander") exchanging their shares for shares of Enduro. Commander is an exploration company formed in 1989 with a Canadian focus on the search for precious and base metals.

The pending transaction with Commander is considered a related party transaction due to having a director in common.

The Agreement provides for an Exchange Ratio of 0.535 of an Enduro Common Share for each one (1) Commander Common Share, representing a deemed price per Commander Common Shares of $0.10 and a deemed price per Enduro Common Share of $0.187 representing a 30-day VWAP. It is anticipated that upon completion of the Proposed Transaction, legacy holders of Commander Common Shares would hold approximately 45.65% of the Resulting Issuer and legacy holders of Enduro Common Shares would hold approximately 54.35% of the Resulting Issuer. Outstanding warrants and options of Commander will be exchanged for equivalent warrants and options, respectively, of Enduro based on the Exchange Ratio.

The Agreement contains customary deal-protection provisions, including a non-solicitation covenant in respect of Commander and a right of Enduro to match any superior proposal as defined and described in the definitive agreement. Under certain circumstances, if the Agreement is terminated, Enduro would be entitled to the payment of a $400,000 termination fee from Commander. The Agreement will also be subject to a number of conditions being satisfied or waived by one or both of Enduro and Commander, including the receipt of all necessary regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature.

Commander has agreed to loan Enduro $400,000 pursuant to the terms of a loan agreement between the parties dated the date of the Agreement which has been approved by the TSX. The Loan bears interest at the rate of 12% per annum and is payable on April 30$^{th}$, 2026. The Loan is secured by a security interest over Enduro's "Chachi" claims, an 8 x 4 kilometre area on the eastern side of the Newmont Lake Property.

Should the amalgamation proceed, the Company intends to close the transaction in the second fiscal quarter of 2025.