CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE YEARS ENDED MAY 31, 2024 and 2023

Independent Auditors' Report

To: The Shareholders of **Canadian Critical Minerals Inc.**

Opinion

We have audited the consolidated financial statements of Canadian Critical Minerals Inc. (the "Company"), which comprise the consolidated statement of financial position as at May 31, 2024 and 2023 and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and consolidated cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that at May 31, 2024 the Company had a deficit of $26,394,757. This condition, along with other matters as set forth in Note 1, 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 qualified 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 the Material Uncertainty Related to Going Concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Assessment of impairment indicators of mineral properties

Description of the matter:

As reported in the statement of financial position and Note 7, on May 31, 2024, the total book value of exploration and evaluation assets amounted to $2,020,677. As indicated in Note 3.10, exploration and evaluation assets are initially recorded at cost and any additional expenditures are expensed or capitalized in accordance with the Company's accounting policy. At each reporting period, Management assesses the exploration and evaluation assets for indicators of impairment. This assessment would include considering whether a) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of resources and the Company has decided to discontinue such activities in the specific area; and d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Why the matter is a key audit matter:

We determined that this is a key audit matter due to the judgement involved in the assessment of indicators of impairment and the significance of the balance of exploration and evaluation assets.

How the matter was addressed in the audit:

We obtained a claims listing, including expiration dates, and agreed such information to government agency websites. We assessed whether substantive expenditures on further exploration is budgeted through reading Board of Directors' minutes and obtained Management's long-term plans for the properties. We assessed the results of activities completed by the Company up to the reporting date and considered evidence obtained in other areas of the audit.

<u>Information Other than the Consolidated Financial Statements and Auditors' Report Thereon</u>

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. 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 in this auditors' report. We have nothing to report in this regard.

<u>Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements</u>

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

In preparing the 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.

<u>Auditors' Responsibilities for the Audit of the Consolidated Financial Statements</u>

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors’ Report (continued)

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.

The engagement partner on the audit resulting in this Independent Auditors' report is Roland Bishop, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

Chartered Professional Accountants

September 27, 2024
Calgary, Alberta

CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

	Note	May 31 2024	May 31 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	$ 2,574,414	$ 2,773,389
Unprocessed ore		4,893,006	5,039,144
Mineral properties	7	2,020,677	4,186,858
Investments and securities	8	2,968,200	-
Deposits	9	584,982	994,660
Deferred tax asset	14	1	1
Total non-current assets		13,041,280	12,994,052
Current assets			
Inventory	12	501,983	-
Prepaids and deposits	9	103,916	106,971
Accounts receivable and harmonized sales tax	11	145,430	269,608
Cash and cash equivalents	10	111,877	605,926
Total current assets		863,206	982,505
Total assets		$ 13,904,486	$ 13,976,557
EQUITY AND LIABILITIES			
Equity			
Share capital	13	$ 24,860,565	$ 24,371,402
Warrants	13	970,108	3,772,873
Contributed surplus		9,953,513	6,766,797
Deficit		(26,394,757)	(26,525,684)
Total Equity		9,389,429	8,385,388
Going concern	1		
Commitments and contingencies	20		
Events after reporting period	21		
Non-current liabilities			
Due to related party	17	1,373,053	1,428,009
Flow through share premium	14	27,003	58,600
Decommissioning obligations	19	126,328	201,025
Total non-current liabilities		1,526,384	1,687,634
Current liabilities			
Accounts payable and accrued liabilities	15	1,967,674	1,952,416
Current portion of due to related party	17	961,000	450,000
Current portion of loans payable	18	60,000	1,493,441
Current portion of government grants	18	-	7,678
Total current liabilities		2,988,674	3,903,535
Total liabilities		4,515,058	5,591,169
Total equity and liabilities		$ 13,904,486	$ 13,976,557

Approved on behalf of the Board on September 26, 2024:

Signed: /s/ "Gestur Kristjansson"   Signed: /s/ "Ian Berzins"

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

CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31, 2024 and 2023

	Note		May 31 2024		May 31 2023
Revenue		$	**491,697**	$	-
Royalties			**(7,992)**		-
Net Revenues			**483,705**		
Freight and delivery			**165,271**		-
Third party processing			**139,787**		-
Sorting of ore			**140,418**		-
Amortization of ore sold			**146,138**		-
Cost of goods sold			**591,614**	$	-
Gross profit			**(107,909)**		-
Expenses					
Marketing and advertising		$	**12,570**	$	9,137
Consulting fees			**410,889**		456,755
Amortization	**6**		**198,975**		198,431
Accretion	**19**		**22,977**		27,417
Administrative expenses			**266,646**		385,899
Professional fees			**162,942**		161,561
Salaries and wages			**109,544**		173,303
Supplies and maintenance			**281,050**		246,303
Mining exploration and development expenses	**7**		**1,011,394**		421,465
Mining tax credit	**14**		**(48,753)**		(179,697)
Share based compensation	**13**		**236,107**		31,839
Interest expense	**17, 18**		**399,867**		521,356
Expenses			**3,064,208**		2,453,769
Other (income) expenses			**(22,042)**		(81,667)
Gain on modification of related party debt	**17**		**-**		(3,749,380)
Loss on modification of long term debt			**-**		20,844
Gain on sale and investment	**7,8**		**(3,190,547)**		-
Foreign exchange (gain) loss			**356**		75,404
Interest income			**(14,214)**		(20,013)
Net income		**$**	**54,330**	**$**	1,301,043
Deferred income tax recovery	**14**		**(76,597)**		(152,150)
Net income and comprehensive income		**$**	**130,927**		1,453,193
Net income per share		$	**0.001**		0.006
Weighted average outstanding shares	**16**		**257,283,365**		238,792,658

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2024 and 2023

		Share Capital						
		Common Shares		Warrants		Contributed		
	Note	Number	Amount	Number	Amount	Surplus	Deficit	Total
Balance, May 31 , 2022		**225,848,159**	**$ 23,349,839**	**86,395,106**	**$ 3,501,600**	**$ 6,393,354**	**$ (27,978,877)**	**$ 5,265,916**
Shares issued for cash		2,537,857	185,650					185,650
Shares issued for trade payable		1,650,000	115,500					115,500
Warrants expired unexercised				(5,827,333)	(341,604)	341,604		-
Flow-through share issue for cash		20,150,000	1,656,000					1,656,000
Flow-through share premium			(210,750)					(210,750)
Fair value of warrants			(549,993)	20,487,857	549,993	-		-
Share based compensation						31,839		31,839
Share issue costs			(174,844)	1,366,500	62,884			(111,960)
Net income and comprehensive income							1,453,193	1,453,193
Balance, May 31, 2023		**250,186,016**	**$ 24,371,402**	**102,422,130**	**$ 3,772,873**	**$ 6,766,797**	**$ (26,525,684)**	**$ 8,385,388**
Shares issued for cash	13	9,008,648	450,432					450,432
Flow-through share issue for cash	13	4,500,002	247,500					247,500
Flow-through share premium			(45,000)					(45,000)
Warrants expired unexercised	13			(76,345,551)	(2,950,609)	2,950,609		-
Share based compensation	13	-	-			236,107		236,107
Fair value of warrants	13		(147,844)	9,298,193	147,844			-
Share issue costs	13		(15,925)					(15,925)
Net loss and comprehensive loss							130,927	130,927
Balance, May 31, 2024		**263,694,666**	**$ 24,860,565**	**35,374,772**	**$ 970,108**	**$ 9,953,513**	**$ (26,394,757)**	**$ 9,389,429**

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED STATMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2024 and 2023

	Note		**May 31 2024**		May 31 2023
Cash flows from operating activities					
Net income (loss) for the period		**$**	**130,927**	$	1,453,193
Add back/Deduct non-cash expenses/(income)					
Amortization	**6**		**198,975**		198,431
Amortization of ore sold			**146,138**		-
Accretion	**19**		**22,977**		27,417
Share based compensation	**13**		**236,107**		31,839
Other income - Government grant	**18**		**(6,239)**		(16,566)
Interest accrued	**17, 18**		**275,413**		500,512
Deferred income tax recovery	**14**		**(31,597)**		(152,150)
Gain on sale and investment	**8**		**(3,190,547)**		-
Unrealized foreign exchange loss	**18**		**204**		72,168
Loss on modification of long term debt			**-**		20,844
Gain on modification of related party debt	**17**		**-**		(3,749,380)
Net changes in working capital balances					
Inventory			**(501,983)**		-
Accounts receivable and harmonized sales tax			**108,716**		(38,856)
Prepaids and deposits			**15,477**		(55,627)
Accounts payable and accrued liabilities			**848,791**		564,085
Cash flows used in operating activities			**(1,746,641)**		(1,144,090)
Cash flows from investing activities					
Cash received on sale of mineral properties	**7**		**1,824,027**		-
Cash provided by investing activities			**1,824,027**		-
Cash flows from financing activities					
Issue of common shares and warrants, net of costs	**13**		**682,007**		1,729,691
Related party advance	**17**		**200,000**		-
Loans payable	**18**		**(1,453,441)**		(97,419)
Cash provided by (used in) financing activities			**(571,434)**		1,632,272
Net change in cash			**(494,049)**		488,182
Cash, beginning of year			**605,926**		117,744
Cash, end of year		**$**	**111,877**	$	605,926
Suplimentary Cash Flow Information:					
Interest paid			**124,455**		**118,263**

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

1. REPORTING ENTITY AND GOING CONCERN

Canadian Critical Minerals Inc. (the "Company") (formerly Braveheart Resources Inc.) is an exploration stage company engaged in locating, acquiring and exploring for precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol CCMI as well as the OTCQB Venture Market in the United States, having the symbol RIINF, and the Frankfurt Stock Exchange having the symbol 2ZR, and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019, the Company acquired all of the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these consolidated financial statements include the operating results of Purcell and its subsidiaries (Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.) from the date of acquisition.

On December 22, 2020, the Company acquired all shares of Cadillac Ventures Holdings Inc. and on January 26, 2021 Cadillac Ventures Holdings Inc. changed its name to Pickle Lake Minerals Inc. (Pickle Lake). These consolidated financial statements include the operating results of Pickle Lake from the date of acquisition. On October 31, 2023 Pickle Lake Minerals Inc. changed its name to Cuprum Corp. and on November 1, 2023, the Company sold 61% of its investment in in Cuprum Corp. as further discussed in Note 7.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has a cumulative deficit of $26,394,757 and used cash flow in operating activities of $1,746,641. At year end May 31, 2024 the Company, has a working capital deficit of $2,125,468 and raised cash of $222,000 subsequent to year-end.

The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties and has flow-through share spending, lease and other commitments (notes 19 and 20).

The Company's continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on September 26, 2024.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Canadian Critical Minerals Inc. and its wholly-owned subsidiaries, and Purcell Basin Minerals Inc., a company incorporated in British Columbia and its wholly-owned subsidiaries Bul River Mineral Corporation, Gallowai Metal Mining Corporation, and Grand Mineral Corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items are stated at fair value.

3. MATERIAL ACCOUNTING POLICIES

3.1 Business combinations

Business combinations are accounted for using the acquisition method when the acquisitions of companies and/or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities and any contingent consideration are measured at their fair value at the date of acquisition. The fair value of property, plant and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Such gains and losses are recognized in profit or loss.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries functional and presentation currency.

3.3 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement.

Classification of Financial Assets

Financial assets are initially measured at fair value and classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Financial assets measured at amortized cost are initially recognized at fair value and subsequently are measured at amortized cost using an effective interest rate method.

Financial assets measured at FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss.

Financial assets recognized in the consolidated statements of financial position include cash and cash equivalents, accounts receivable, investments and securities and deposits.

Cash and cash equivalents consist of bank balances in Canada. Cash and cash equivalents are classified as fair value through profit or loss and are measured at fair value.

Investments and securities consist of the investment in Cuprum Corp. Investments and securities are classified as fair value through profit or loss and are measured at fair value.

Deposits and accounts receivables are initially recognized at fair value.

Classification of Financial Liabilities

Financial liabilities are classified as either FVTPL or amortized cost. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss unless the change in fair value is attributable to changes in credit risk in which case the change is reported in other comprehensive income. Financial liabilities reported at amortized cost, including borrowings, are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities consist of accounts payable and accrued liabilities, due to related party, and loans payable.

Accounts payable and accrued liabilities, due to related party and loans payable are all initially recognized at fair value and classified as amortized cost, and subsequently measured at amortized cost.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents in the statements of financial position comprise cash at Canadian banks, trust accounts, and short-term deposits with an original maturity of 3 months or less.

The classification of financial assets and financial liabilities is shown in the table below.

		IFRS 9:
Financial assets		
Cash and cash equivalents		amortized cost
Accounts receivable		amortized cost
Deposits		amortized cost
Investments and Securities (privately-held securities)	Level 3	Fair market value
Financial liabilities		
Accounts payable and accrued liabilities		amortized cost
Due to related party		amortized cost
Loans payable		amortized cost

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.4 Significant accounting judgments and estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The recoverability of exploration and evaluation expenditures incurred.
- Estimate of fair values on acquisitions including contingent consideration (if any).
- The fair value of investments and privately-held securities
- The fair value of purchase warrants (of privately held securities) using Black Scholes option pricing model.
- Amortization of unprocessed ore sold.
- The fair value of equity on debt settlements.
- The fair value of stock options and warrants issued in conjunction with the issuance of the Company's common shares and the fair value of stock options and warrants using the Black Scholes option pricing model.
- The recoverability of deferred tax assets.
- Decommissioning obligations for mineral properties.
- Fair value of renegotiated related party debt.
- Plant and equipment useful lives and related depreciation and amortization.

Critical accounting judgments:

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assumptions made by management.

3.5 Property, Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price which includes the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties and those directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within the provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in the Consolidated Statement of Loss. Property, plant and equipment are stated at cost less accumulated amortization, based on the estimated useful life of the asset is calculated as follows:

Plant and building – 20 years

Equipment – 10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

3.6 Income taxes

The Company uses the Asset and Liabilities method to determine income tax and deferred tax. Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes and are presented as non-current liabilities.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity.

Deferred income tax assets and liabilities are calculated using substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is entitled to refundable BC mineral exploration tax credits and refundable mining duties as a result of incurring mineral exploration expenses in British Columbia. These amounts are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured.

3.7 Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flowthrough subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through shares at the date of announcement, such premium or excess proceeds is reported as a liability on the Statements of Financial Position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the 'unrenounced flow-through share premium' liability on the Statements of Financial Position and a corresponding reduction in deferred tax expense on the Consolidated Statements of Loss and Comprehensive loss.

3.8 Restoration, rehabilitation and environmental obligations and provisions

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying account of the asset, as soon as the obligation to incur such costs arises. Discount rates using a credit adjusted rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a credit adjusted rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.10 Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are charged to operations as incurred.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

3.11 Unprocessed ore and Inventory

The measurement of inventory including the determination of its net realizable value, especially as it relates to ore in stockpiles, involves the use of estimates. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Estimation is also required in determining the tonnage, recoverable gold and copper contained therein, and in determining the remaining costs of completion to bring inventory into its saleable form. Judgment also exists in determining whether to recognize a provision for obsolescence on mine operating supplies, and estimates are required to determine salvage or scrap value of supplies. Estimates of recoverable gold or copper on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type). Inventory includes value added processing costs of crushing, screening, and sorting associated with the shipment and sale.

3.12 Impairment of assets

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating units exceed its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.13 Revenue recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the provision of goods (or the completion of services) to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with the customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation. Income from the sale of mineral products, when they occur, are generally recorded on a gross basis when title passes to an external party. The Company recognizes income when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to the customer at the time of control of the product passes to the customer. Interest income is accrued as earned.

3.14 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at fair value, which is the exchange amount.

3.15 Loss per share

The Company presents basic and diluted earnings/(loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.16 Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The fair value of the share component calculated using Black-Scholes option pricing model, is credited to share capital and the value of the warrant component is credited to the warrants account. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrants account is recorded as an increase to share capital.

3.17 Comprehensive income or loss

Comprehensive income or loss is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

3.18 Significant influence on Cuprum Corp.

The Company has made the judgement that it does not have significant influence over the operations of Cuprum Corp. subsequent to its partial sale and deconsolidation as further discussed in Note 7.

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Mineral properties and exploration and evaluation assets

The application of the Company's accounting policy for mineral properties and exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the project, or where exploration activities are not adequately advanced to support a precious metals resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the mineral property acquisition costs.

Where an indicator of impairment exists, a formal estimate of recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. 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. Fair value of mineral properties is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, discounted by an appropriate pre-tax discount rate to arrive at a net present value.

4.3 Contingent consideration

Fair value is calculated based on the present value of estimated future cash flows, discounted at the credit adjusted rate.

4.4 Share-based payment transactions

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Under this method, the fair value of the equity-settled share-based payment is measured on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. For options that do not vest immediately, the fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

Equity-settled, share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

4.5 Investments

Purchases and sales of privately-held investments are recognized on a trade date basis. Private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in the statement of loss. Transaction costs are expensed as incurred in the statement of loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of loss.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. The Company will take into account general market conditions when valuing the privately-held investments. In the absence of occurrence of any events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's privately-held investments could be disposed of may differ from the carrying value assigned. Such differences could be material.

5. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables

Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and cash equivalents and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used for operations, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1.

(In Canadian dollars)

The consolidated financial statements for the year ended May 31, 2024 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

Liabilities maturities:

	May 31, 2024	May 31, 2023
Current (due within one year)	$ 2,988,674	$ 3,903,535
Non-Current	1,526,384	1,687,634
Total Liabilities	$ 4,515,058	$ 5,591,169

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Loans payable are variable interest rate.

(iv) Commodity price and price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

Private company shares – Cuprum Corp. – Investments. The Company does not have significant influence over the operations of Cuprum Corp. (as discussed in note 7) since November 1, 2023 and has price and liquidity risk associated with its investment in Cuprum. Reported unrealized gains may not be realized based on the Company's ability to sell its shares.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars.

Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at ± 10% are "reasonably possible" over a one year period:

(a) As at May 31, 2024, the Company had $55,378 in cash, $141,508 in accounts receivable and $236,059 in accounts payable denominated US Dollar foreign currency.

(b) Price risk as Company revenues and receivables are exposed to USD foreign exchange risk.

Capital risk management

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position. (See note 1)

There were no changes to the Company's approach to capital management during the year, as compared to the prior year.

6. PROPERTY, PLANT AND EQUIPMENT

May 31, 2024	Cost	Accumulated amortization	Net book value
Buildings	$2,486,494	(666,084)	$1,820,410
Equipment	$1,109,067	(355,063)	$ 754,004
Total	$3,595,561	(1,021,147)	$2,574,414

May 31, 2023	Cost	Accumulated amortization	Net book value
Buildings	$2,486,494	(541,418)	$1,945,076
Equipment	$1,109,067	(280,754)	$ 828,313
Total	$3,595,561	(822,172)	$2,773,389

Amortization rates based on estimated useful lives of 20 years for Building and 10-20 years for Equipment. The year ended May 31, 2024 and May 31, 2023 includes $368,000 in of floatation cell work-in-process equipment. The buildings and equipment are attributable to the Bull River mine.

(In Canadian dollars)

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

On October 30, 2023 Pickle Lake Minerals Inc. changed its name to Cuprum Corp. and on November 1, 2023 the Company sold 61% interest in Cuprum Corp. as follows:

-45% interest for: $1,350,000 in cash from OreCap Investment Corp applied to Ocean $1 million USD debt
-6% for $187,000 accrued interest to Ocean Partners for - accrued interest settlement.
-10% for $300,000 cash from QC Copper.

Other terms include, from Cuprum Corp:

-3,000,000 share purchase warrants of Cuprum Corp. of which:
-1,000,000,with an exercise price of $0.10 per common share, exercisable for one year
-1,000,000,with an exercise price of $0.15 per common share, exercisable for two years
-1,000,000,with an exercise price of $0.20 per common share, exercisable for three years
-from Cuprum Corp. a $500,000 bonus conditional on future reporting by Cuprum Corp. of a near surface NI-43-101 report with 100 million tonnes and/or 1 billion pounds of copper; and a $250,000 further bonus with 150 million tonnes and/or 1.5 billion pounds of copper.

The Company no longer controls Cuprum Corp and therefore effective November 1, 2023 has not consolidated the operating results of Cuprum. The Company recorded a gain on sale of 61% of Cuprum Corp. Cuprum was recapitalized with 60 million shares outstanding, issued at $0.05 for a $3 Million capitalization.

The Company's investment in shares of Cuprum and share purchase warrants have been reclassified as Investments and Securities (note 8).

Mineral Properties

	May 31, 2023	Sold	Adjustments (Note 8)	May 31, 2024
Purcell	$ 2,020,677	-	-	2,020,677
Thierry	2,166,181	(1,384,692)	(781,489)	-
	$ 4,186,858	$ (1,384,692)	(781,489)	$ 2,020,677

	May 31, 2022	Sold	Adjustments	May 31, 2023
Purcell	$ 2,020,677	-	-	2,020,677
Thierry	2,166,181	-	-	2,166,181
	$ 4,186,858	$ -	-	$ 4,186,858

(In Canadian dollars)

Mining Exploration Expenses

	For the Year Ended May 31, 2024	For the Year Ended May 31, 2023
Purcell	$361,663	$ 361,040
Thierry	649,731	60,425
	$1,011,394	$421,465

The BC Mining Exploration Tax Credit (BCMETC) is a 30% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC.

8. INVESTMENTS AND SECURITIES

	May 31, 2024
Cuprum Corp, 23,260,000 common shares	$ 2,791,200
Other Cuprum Corp. financial instruments – warrants	177,000
	$2,968,200

See also Note 7 for discussion of Thierry prior to partial sale. The Company's investment in shares of Cuprum and share purchase warrants have been reclassified as Investments as the Company has determined it does not exercise significant influence on Cuprum.

In November 2023, Cuprum Corp. completed a private placement for gross proceeds of $455,500, issuing 9,110,000 shares $0.05/share.

In April 2024, Cuprum Corp. completed a private placement issuing 5,349,995 shares at $0.12 per share for gross proceeds of $642,000 and 3,176,666 flow-through shares at $0.15 for gross proceeds of $476,500. In April 2024, Cuprum Corp. adopted a restricted share unit ("RSU") plan, which allows Cuprum to grant non-transferable restricted share units to its directors, officers, and consultants. In April 2024, Cuprum issued 6.1 million RSUs, which vest 33% after 1 year, 33% after 2 years, and the remaining 34% after 3 years.

The Company now has a 30.0% interest in Cuprum Corp. Other financial instruments related to Cuprum Corp:

-3,000,000 share purchase warrants of Cuprum Corp. of which:
-1,000,000,with an exercise price of $0.10 per common share, exercisable for one year
-1,000,000,with an exercise price of $0.15 per common share, exercisable for two years
-1,000,000,with an exercise price of $0.20 per common share, exercisable for three years
-a $500,000 bonus conditional on future reporting by Cuprum Corp. of a near surface NI-43-101 report with 100 million tonnes and/or 1 billion pounds of copper; and a $250,000 further bonus with 150 million tonnes and/or 1.5 billion pounds of copper.

The Company has recorded a gain of $3,190,547 based on the sale (Note 7), the increase in estimated fair value for shares held and estimated fair value of $177,000 Cuprum purchase warrants was calculated at the issue date using the Black-Scholes option pricing model. The assumptions for this calculation were an average risk free interest rate of 4.3%, expected average life of 1.42 years and historical volatility was used for calculation of expected average volatility of 120% .

(In Canadian dollars)

9. DEPOSITS AND PREPAIDS

		May 31, 2024		May 31, 2023
Restricted deposits	$	584,982	$	994,660
Advances and prepaids		103,916		106,971
Deposits and prepaid	$	688,898	$	1,101,631
Current portion		103,916		106,971
	$	584,982	$	994,660

Restricted deposits are held in Canadian banks as required by British Columbia Ministry of Energy, Mines and Low Carbon Innovation for Purcell.

10. CASH AND CASH EQUIVALENTS

		May 31, 2024		May 31, 2023
Cash	$	111,877	$	605,926

All cash and cash equivalents are held in Canadian banks, and a trust account.

11. ACCOUNTS RECEIVABLE AND HARMONIZED SALES TAX

	May 31, 2024	May 31, 2023
BC Mining Exploration Tax Credit	$ -	$231,501
Misc receivables	-	4,130
Trade receivables	141,508	-
Harmonized sales tax	3,922	33,977
	$145,430	$269,608

12. INVENTORY

	May 31, 2024	May 31, 2023
Crushing and screening	$368,715	-
Ore-sorting	133,268	-
	$501,983	-

During the year, $140,418 of inventory was assigned to ore sorts (cost of sales).

(In Canadian dollars)

13. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

Authorized and issued — Number of shares

		May 31, 2024		May 31, 2023
Common shares, beginning of year		250,186,016		225,848,159
Issued for cash - shares (ii)(iii)(vi)(viii)		9,008,648		2,537,857
Issued for trade payables(v)		-		1,650,000
Issued for flow-through share (i)(iii)(iv)(vii)		4,500,002		20,150,000
Common shares		263,694,666		250,186,016
Opening	$	24,371,402	$	23,349,839
Issued for cash - shares shares(ii) (iii)(vi))		450,432		185,650
Issued for trade payables (v)		-		115,500
Issued for flow-through share (i)(iii)(iv)		247,500		1,656,000
Flow-through share premium (vii)		(45,000)		(210,750)
Share issue costs (i)(iii)(vii)		(15,925)		(174,844)
Fair value of warrants (i)(ii)(iii)(vii)(viii)		(147,844)		(549,993)
	$	24,860,565	$	24,371,402

(i) On July 27, 2022 the Company issued 4,400,000 units at $0.09 per unit for $396,000. Each unit is comprised of one flow through common share and one-half warrant. Each warrant is exercisable into a common share at a price of $0.135 per share for a period of 24 months from offering. Commissions totaling $23,760 and 264,000 finders fees warrants were issued exercisable into a common share at a price of $0.09 per share until July 26, 2024.

(ii) On August 11, 2022 the Company issued 937,857 units at $0.07 per unit for $65,650. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.105 per share for a period of 24 months from offering.

(iii) On November 18, 2022 the Company issued 1,600,000 units at $0.075 and 6,250,000 flow through units at $0.08 per unit for $620,000. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of $0.1125 per share for a period of 36 months from offering. Each flow through share consists of one common share and one common share purchase warrant that is exercisable into a common share at $0.12 per share for a period of 36 months. Commissions totaling $35,000 and 437,500 finders fees warrants were issued exercisable into a common share at a price of $0.08 per share until November 17, 2025.

(iv) On December 28, 2022 the Company issued 9,500,000 flow through units at $0.08 per unit for $760,000. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of $0.12 per share for a period of 36 months from offering. Commissions totaling $53,200 and 665,000 finders fees warrants were issued exercisable into a common share at a price of $0.08 per share until December 28, 2025.

(v) On March 7, 2023 1,650,000 shares were issued as payment for outstanding trade payables.

(vi) On June 19, 2023, the Company issued 7,000,000 units at $0.05 per unit for $350,000. Each Unit consists of one Common Share and one one-half common share purchase warrant with a full warrant exercisable into one common share at an exercise price of $0.075 for a period of 24 months, and one-half of one warrant with a full warrant exercisable into one warrant share at an exercise price of $0.10 for a period of 24 months.

(In Canadian dollars)

(vii) On April 24, 2024 the Company issued 4,500,000 flow through units at $0.055 per unit for $247,500. Commissions totaling $15,925 and 289,545 finders fees warrants were issued exercisable into a common share at a price of $0.055 per share until April 23, 2027.

(viii) On May 16, 2024 the Company issued 2,008,648 common share units at $0.05 per unit for $100,432. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of $0.12 per share for a period of 36 months from offering. Commissions totaling $53,200 and 665,000 finders fees warrants were issued exercisable into a common share at a price of $0.08 per share until December 28, 2025.

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the years ended May 31, 2024 and 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2022	86,395,106	$ 0.140
Issued	3,401,857	0.090
Issued	6,250,000	0.120
Issued for finders fees	437,500	0.080
Issued	1,600,000	0.115
Issued	9,500,000	0.120
Issued for finders fees	665,000	0.080
Expired	(3,062,115)	0.150
Expired	(2,765,218)	0.140
Balance, May 31, 2023	102,422,130	$ 0.130
Issued	3,500,000	0.100
Issued	3,500,000	0.075
Issued	289,545	0.075
Issued	2,008,648	0.080
Expired	(7,323,130)	0.140
Expired	(20,745,754)	0.110
Expired	(10,000,000)	0.100
Expired	(60,000)	0.075
Expired	(11,016,667)	0.1175
Expired	(27,200,000)	0.2000
Balance, May 31, 2024	35,374,772	0.117

(In Canadian dollars)

At May 31, 2024, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date.

Warrants	Exercise Price	Expiry date
2,200,000	0.135	July 26, 2024
264,000	0.09	July 26, 2024
937,857	0.1050	August 11, 2024
2,000,000	0.1688	August 6, 2025
2,222,222	0.1875	September 1, 2025
6,250,000	0.120	November 18, 2025
437,500	0.08	November 18, 2025
1,600,000	0.1125	November 18, 2025
9,500,000	0.12	December 28, 2025
665,000	0.08	December 28, 2025
3,500,000	0.100	June 15, 2025
3,500,000	0.0750	June 15, 2025
2,008,648	0.080	May 15, 2026
289,545	0.075	April 24, 2027
35,374,772	0.117	

During the year ended May 31, 2024, the Company valued 7,548,193 (2023- 21,854,357) warrants at an average strike price of $0.08 (2023 – $0.11) and an average expiry date of two years (2023- 2.84 years). The fair value of $147,844 (2023-$549,993) was calculated at the issue date using the Black-Scholes option pricing model. The assumptions for this calculation were an average risk free interest rate of 4.39% (2023- 3.44%, expected average life of 2 years (2023- 2.84 years) and historical volatility was used for calculation of expected average volatility of 115% (2023 – 111%).

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. A continuity of stock options are presented as follows:

	Number of Options	Weighted Average Exercise Price
Balance May 31, 2022	19,760,556	$ 0.10
Issued	500,000	0.075
Balance May 31, 2023	20,260,556	$ 0.10
Expired	(7,360,556)	0.16
Issued	10,350,000	0.05
Balance May 31, 2024	23,250,000	0.06

The following table summarizes information about stock options outstanding and exercisable at May 31, 2024, following the consolidation adjustment:

(In Canadian dollars)

The Company provides compensation to directors, employees and consultants in the form of stock options.

Date of Grant	Number of Outstanding at May 31, 2023	Exercise Price	Date of Expiry	Number of Exercisable at May 31, 2024
June 5, 2019	2,350,000	$ 0.10	October 30, 2025	2,350,000
April 8, 2021	3,950,000	$ 0.10	April 8 ,2026	3,950,000
June 16, 2021	500,000	$ 0.105	June 16,2026	500,000
October 22, 2020	700,000	$ 0.10	October 30, 2025	700,000
February 16, 2022	3,050,000	$ 0.075	October 30, 2026	3,050,000
April 8, 2021	1,000,000	$ 0.10	April 8, 2026	1,000,000
October 4, 2022	500,000	$ 0.075	October 4, 2027	500,000
February 16,2022	850,000	$ 0.075	February 16, 2027	850,000
July 20, 2023		$ 0.050	July 20, 2026	9,850,000
January 24, 2024		$ 0.050	July 20, 2026	500,000
	12,900,000			23,250,000

On October 4, 2022, the Company granted 500,000 options at a strike price of $0.075 and an expiry date of five years to officers, directors, employees and consultants. The fair value of $31,839 for the 500,000 stock options granted of $0.08 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 0.0338%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 124%.

On July 19, 2023, the Company granted 9,850,000 options at a strike price of $0.05 and an expiry date of three years to officers, directors, employees and consultants. The fair value of $208,150 for the 9,850,000 stock options granted of $0.02 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 3.96%, expected life of 3 years and historical volatility was used for calculation of expected volatility of 107%.

On January 24, 2024, the Company granted 500,000 options at a strike price of $0.05 and an expiry date of July 20, 2026 to a director. The fair value of $12,226 for the 500,000 stock options granted of $0.02 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 4.20%, expected life of 2.5 years and historical volatility was used for calculation of expected volatility of 182%.

(In Canadian dollars)

14. INCOME TAX

The provision for income taxes varies from the amount that would be computed by applying the combined federal and provincial statutory tax rate of 27.0% (2023 – 27.0%) to loss before income taxes. The reasons for the differences are as follows:

	May 31, 2024	May 31, 2023
Income before income taxes	$ 54,330	$ 1,301,043
Expected income tax expense (reduction) @ 27% (2023-27%)	$ 14,669	$ 351,282
Non-deductible stock based compensation	63,749	8,597
Other non-deductible (taxable) items	12,138	60,979
Flow-through share spending	261,808	214,737
Change in unrecognized deferred tax assets	(352,364)	(635,595)
Subtotal	-	-
Flow-through share premium	(76,597)	(152,150)
Deferred tax recovery (a)	$ (76,597)	$ (152,150)

(a) The $76,597 (2023 - $152,150) of deferred income tax recovery above pertains to the deferred premium on flow through shares.

Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profits will be available against which the Company can utilize the benefit.

	May 31, 2024	May 31, 2023
Non-capital losses	$ 60,907,346	$ 60,648,466
Capital losses	15,803,777	15,803,777
Property, plant and equipment	120,088,324	198,843,991
Decommissioning obligations	126,328	201,025
Share issue costs	207,145	260,268
	$ 197,132,920	$ 275,757,527

The Company has non-capital losses of approximately $60.9 million which expire between 2026 and 2045.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2024	May 31, 2023
Financial liabilities		
Accrued liabilities	$ 536,863	$ 671,355
Trade payables	1,430,811	1,281,062
	$ 1,967,674	$ 1,952,417

Included in accounts payable and accrued liabilities is $232,685 (2023 - $212,777) of amounts due to key management.

(In Canadian dollars)

16. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended May 31, 2024 was based on the income attributable to shareholders and a weighted average number of ordinary shares of 257,283,365 (2023-238,792,658). Diluted earnings per share for the year ended May 31, 2024 of $0.000 was based on 322,319,438 shares considering warrants and options outstanding (2023 -$0.004 353,211,832).

17. RELATED PARTY

On June 29, 2022 the Company completed a Loan Conversion Agreement with Matlock Farms Ltd., a related party, owned by a director of the Company.

Principal plus accrued interest converted into a 3% net smelter royalty ('NSR') on the Bull River Mine project. The NSR is capped at a maximum of $6,750,000 ('Maximum NSR'). The Company will make semi-annual payments on or before June 30th and December 31st of each year of $150,000 as advance payments against the NSR and such payments shall be deducted against NSR.

Upon satisfaction of the Maximum NSR Payment, the royalty rate under the NSR shall be reduced from 3% to 0.25%. The 0.25% NSR can be purchased by the Company at any time for $1,000,000.

The required semi-annual non-interest bearing payments of $150,000 component of the agreement continues to be recorded by the Company as related party loan, valued on date of conversion at its estimated fair value using 15% as the Company's cost of capital. The Company recognized a gain on conversion of the remaining loan balance to a royalty of $3,749,380.

On January 15, 2024, the Company entered into a loan agreement with Matlock Farms Ltd, a related part, owned by a director of the Company for $200,000. The loan bears interest 15% per annum, compounded annually and is due January 15, 2025. Purcell Basin Minerals Inc, a wholly owned subsidiary, is a guarantor of the loan.

	Year Ended May 31, 2024	Year Ended May 31, 2023
Loan balance beginning of period	$ 1,878,009	$ 5,334,102
Gain on renegotiation of terms and share settlement	-	(3,749,380)
Additional loan	200,000	
Accrued interest during the period	256,044	293,287
	2,334,053	1,878,009
Current portion	(961,000)	(450,000)
Long term portion	$ 1,373,053	$ 1,428,009

(In Canadian dollars)

Key Management Compensation	May 31, 2024	May 31, 2023
Fees were charged by Director for corporate administrative and financial management services	60,000	60,000
Consulting fees were charged by officers and Directors	180,000	185,000
Accounting fees were charged by an officer for financial management services	53,130	50,035
Other		
Stock based compensation to directors and officers	183,364	-
	$ 476,494	$ 295,035

18. LOANS PAYABLE

Loans payable	May 31, 2024	May 31, 2023
CEBA Loans	$ 60,000	$ 75,880
Ocean - Stockpile loan (Note 7)	-	1,417,561
	60,000	1,493,441
Less current portion	60,000	1,493,441
	$ -	$ -

18.1 CEBA Loans payable

On April 20, 2020, the Company received a $40,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $30,000 by the due date will result in $10,000 forgiveness.

On December 21, 2020 an additional $20,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $10,000 by the due date would have resulted in $10,000 forgiveness.

During the Thierry acquisition the Company assumed a $60,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $40,000 by the due date would have resulted in $20,000 forgiveness. Sold in Thierry transaction Note 7).

(In Canadian dollars)

CEBA Loans	**May 31, 2024**	**May 31, 2023**
Beginning of year	$ 75,880	$ 69,373
Interest	3,503	6,507
Forfeit government grants	20,000	-
Sold 61% of Thierry, assumed by buyer (Note 7)	(39,383)	-
	60,000	75,880

Government grants	**May 31, 2024**	**May 31, 2023**
Beginning of year	$ 7,678	$ 24,244
Amortization	(6,239)	(16,566)
Change on control – non-consolidation of Thierry	(1,439)	-
	-	7,678
Less current portion	-	7,678
	$ -	$ -

Government Grants are amortized on a straight line basis, assuming repayment in December 2023 to achieve forgiveness Payments were not made by January 18, 2024 and therefore the Company forfeit the government grant forgiveness.

18.2 Ocean debt - Stockpile loan

On March 17, 2021, the Company entered into a Concentrate Purchase Agreement with Ocean Partners UK Ltd. (Ocean) for the sale of its copper concentrates (with gold and silver credits) from its Bull River Mine. Additionally, Ocean has agreed to provide the Company with a Pre-Payment Financing Facility against initial proceeds from milling of mineralized material on surface. The Company is required to deliver 45,000 wet metric tonnes of copper concentrate. Ocean shall have a right of first refusal on any remaining production thereafter from Bull River. Interest on any amounts drawn is at 12-month LIBOR plus 8.75%. The Ocean debt is secured by Bull River mining assets. Blended interest and principle repayments to commence in March 2022.

On March 13, 2021, the Company made an initial draw of $1,248,181 (USD $1,000,000) net of arrangement fees and expenses associated with lender due diligence and legal fees.

On December 6, 2021 the Company amended the Ocean loan agreement by extending the maturity date under the facility to September 30, 2023 or such earlier date if the Company is in default of the conditions under the agreement.

In connection with the amendment, the Company granted to Ocean Partners 10,000,000 warrants of the Company with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per warrant until September 30, 2023 or such earlier date if the maturity date under the facility is accelerated due to an event of default under the agreement. A $223,526 loss on renegotiation of long term debt. There is also an additional US $20,000 to be paid on the earliest of (i) September 30, 2023: and)ii) the date on which Agreement is terminated in accordance with the terms.

The fair value of $286,308 for the 10,000,000 warrants issued of $0.03 per warrant was calculated at the issue date using the Black-Scholes pricing model. The assumptions for this calculation were a risk free interest rate of 1.03%, expected life of 1.82 years and historical volatility was used for calculation of expected volatility of 109%.

(In Canadian dollars)

On October 20, 2022 the Company amended its Concentrate Offtake Agreement and Stockpile Financing Facility with Ocean Partners UK Ltd. ('Ocean") effective October 1, 2022.

Under the newly amended terms the parties have agreed to extend the date for repayment of monies drawn from the Facility from September 30, 2022 until March 31, 2023. Interest on any monies drawn from the Facility has been increased from 12-month LIBOR plus 8.75% to 12-month LIBOR plus 10.25%. Should permits to restart Bull River not be received by March 31, 2023, principal and interest from the loan will be due and repayable. Permits to restart Bull River have not yet been received and the lender was in a position to demand loan repayment.

On November 1, 2023, the Ocean Debt and interest payable was settled together with the sale of 61% of Pickle Lake (Note 7).

Ocean Debt		May 31, 2024		May 31, 2023
Beginning of year	$	1,417,561	$	1,221,250
Interest accrued		119,455		221,562
Interest and loan paid		(1,537,000)		(118,263)
Impact of loan modification		-		20,844
Foreign exchange (gain) loss		(16)		72,168
	$	-	$	1,417,561

19. DECOMMISSIONING LIABILITIES

The Company estimates the total undiscounted cash flows to settle its decommissioning obligations are approximately $691,308 in 2033 and $2,596,147 in 2041 for the Bull River Mine and Thierry Mine respectively. A Company credit adjusted risk-free interest rate of 15.0% (2021 – 15%) and an estimated inflation rate of 3.0% (2021 – 3%) was used to calculate the present value of decommissioning obligations.

On November 1, 2023 the Company sold 61% of Thierry and no longer consolidates the results.

Decommissioning obligations activities during the year	May 31, 2024	May 31, 2023
Beginning of year	$201,025	$173,608
Change of control – non-consolidation of Thierry Mine (Note 7)	(97,674)	-
Accretion	22,977	27,417
	$126,328	$201,025

20. COMMITMENTS AND CONTINGENCIES

In July 2022 the Company has committed to spend $396,000, another $620,000 in November 2022 and another $760,000 in December 2022 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2023. In April 2024 the Company has committed to spend $247,500 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2024 (note 13). As at May 31, 2024 the Company estimates $148,500 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2024.

The Company has entered into a Capacity Funding Agreement with the Ktunaxa Nation Council (the "KNC") regarding its Bull River Mine Project. The Capacity Funding Agreement provides a framework for the purposes of information sharing and engagement, and where appropriate, accommodation, between the Company and Ktunaxa First Nations. The Company has commitments of up to $140,000 for the purpose of defraying the costs incurred by the KNC in carrying out and completing the regulatory review of the Bull River Mine application in addition to other engagement activities between the Company and the Ktunaxa First Nations.

See also note 17 for discussion of NSR commitments associated with the royalty agreement.

The Company has a twelve month lease of an ore-sorter requiring $420,000 USD in payments. Accounts payable as at May 31, 2024 includes $177,281 of this amount and there is a remaining commitment of $236,250 to October 31, 2024

21. EVENTS AFTER THE REPORTING PERIOD

On July 25, 2024 the Company issued 3,700,000 flow through shares at $0.06 per share for $222,000. Each flow-through unit consists of one common share and one half of one common share purchase warrant that is exercisable into a common share at an exercise price of $0.09 per share for a period of two years. In connection with the financing, the Company paid finders cash commissions totalling $10,500 and issued 175,000 non-transferrable broker warrants. Each broker warrant entitles its holder to acquire one common share of the Company at a price of $0.06 for a two years.

On July 26, 2024, 2,200,000 warrants with an exercise price of $0.135 and 264,000 warrants with an exercise price of $0.09 expired unexercised. On August 11, 2024, 937,857 warrants with an exercise price of $0.105 expired unexercised.