

CANADIAN CRITICAL MINERALS INC.
INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE THREE MONTHS ENDED AUGUST 31, 2024

CANADIAN CRITICAL MINERALS INC.
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim unaudited condensed consolidated financial statements of Canadian Critical Minerals Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

Under National Instrument 51102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management and have not been reviewed by the Company's independent auditors.

CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT

	<i>Note</i>	August 31 2024	May 31 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	\$ 2,524,399	\$ 2,574,414
Unprocessed ore		4,601,477	4,893,006
Mineral properties	5	2,020,677	2,020,677
Investments and securities	6	2,968,200	2,968,200
Deposits	7	586,335	584,982
Deferred tax asset		1	1
Total non-current assets		12,701,089	13,041,280
Current assets			
Inventory	9	571,976	501,983
Prepays and deposits	7	93,776	103,916
Accounts receivable and harmonized sales tax	8	136,332	145,430
Cash and cash equivalents		164,584	111,877
Total current assets		966,668	361,223
Total assets		\$ 13,667,757	\$ 13,402,503
EQUITY AND LIABILITIES			
Equity			
Share capital	10	\$ 24,992,171	\$ 24,860,565
Warrants	10	965,326	970,108
Contributed surplus		10,015,990	9,953,513
Deficit		(26,859,703)	(26,394,757)
Total Equity		9,113,784	9,389,429
Going concern	1		
Commitments and contingencies	15		
Events after reporting period	16		
Non-current liabilities			
Due to related party	12	1,243,416	1,373,053
Flow through share premium	10	26,715	27,003
Decommissioning obligations	14	131,062	126,328
Total non-current liabilities		1,401,193	1,526,384
Current liabilities			
Accounts payable and accrued liabilities	11	1,973,959	1,967,673
Current portion of due to related party	12	1,118,822	961,000
Current portion of loans payable	13	60,000	60,000
Total current liabilities		3,152,781	2,988,673
Total liabilities		4,553,974	4,515,057
Total equity and liabilities		\$ 13,667,757	\$ 13,904,486

Approved on behalf of the Board on October 29, 2024:

Signed: "Gestur Kristjansson"

Signed: "Ian Berzins"

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

CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED UNAUDITED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

	<i>Note</i>	August 31 2024	August 31 2023
Revenue		\$ 822,669	\$ -
Royalties		(9,465)	-
Net Revenues		813,204	-
Freight and delivery		157,558	-
Third party processing		174,903	-
Sorting of ore		256,390	-
Amortization of ore sold		291,529	-
Cost of goods sold		880,380	\$ -
Gross profit		(67,176)	-
Expenses			
Marketing and advertising		\$ 14,048	\$ 689
Consulting fees		90,000	111,237
Amortization	4	50,016	50,015
Accretion	14	4,735	7,456
Administrative expenses		56,215	88,620
Professional fees		22,255	12,708
Salaries and wages		25,093	24,354
Supplies and maintenance		126,078	58,203
Mining exploration and development expenses	5	3,643	603,034
Share based compensation	10	-	208,150
Interest expense	12,13	28,941	89,061
Expenses		421,024	1,253,527
Other (income) expenses		(303)	(38,227)
Foreign exchange (gain) loss		1,146	(7,665)
Interest income		(1,609)	(2,859)
Net loss		\$ (487,434)	\$ (1,204,776)
Deferred income tax recovery		(22,488)	(47,000)
Net loss and comprehensive loss		\$ (464,946)	(1,157,776)
Net loss per share		\$ (0.002)	0.005
Weighted average outstanding shares		265,182,709	255,436,016

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED AUGUST 31, 2024

	Note	Share Capital		Warrants		Contributed Surplus	Deficit	Total
		Common Shares		Number	Amount			
		Number	Amount					
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		7,000,000	350,000					350,000
Warrants expired unexercised				(7,323,130)	(255,007)	255,007		-
Fair value of warrants			(71,980)	7,500,000	71,980			-
Share based compensation						558,422		558,422
Net income and comprehensive income							(1,157,776)	(1,157,776)
Balance, August 31, 2023		257,186,016	\$ 24,649,422	102,599,000	\$ 3,589,846	\$ 7,580,226	\$ (27,683,460)	\$ 8,136,034
Balance, May 31, 2024		263,694,666	\$ 24,860,565	35,374,772	\$ 970,108	\$ 9,953,513	\$ (26,394,757)	\$ 9,389,429
Flow-through share issue for cash	10	3,700,000	222,000					222,000
Flow-through share premium			(22,200)					(22,200)
Warrants expired unexercised	10			(3,401,857)	(62,477)	62,477		-
Fair value of warrants	10		(50,717)	1,850,000	50,717			-
Share issue costs	10		(17,478)	175,000	6,978			(10,500)
Net loss and comprehensive loss							(464,946)	(464,946)
Balance, August 31, 2024		267,394,666	\$ 24,992,171	33,997,915	\$ 965,326	\$ 10,015,990	\$ (26,859,703)	\$ 9,113,783

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED AUGUST 31, 2024

	<i>Note</i>	August 31 2024	August 31 2023
Cash flows from operating activities			
Net loss for the period		\$ (464,946)	\$ (1,157,776)
Add back/Deduct non-cash expenses/(income)			
Amortization	4	50,016	50,015
Amortization of ore sold		291,529	-
Accretion	14	4,735	7,456
Share based compensation		-	208,150
Other income - Government grant		-	(3,291)
Interest accrued	12, 13	28,185	89,061
Deferred income tax recovery		(288)	(47,000)
Unrealized foreign exchange loss		-	(7,503)
Net changes in working capital balances			
Inventory		(69,993)	-
Accounts receivable and harmonized sales tax		9,098	157,659
Prepays and deposits		8,787	(15,455)
Accounts payable and accrued liabilities		6,284	22,665
Cash flows used in operating activities		(136,593)	(696,019)
Cash flows from financing activities			
Issue of common shares and warrants, net of costs	10	189,300	350,000
Cash provided by financing activities		189,300	350,000
Net change in cash		52,707	(346,019)
Cash, beginning of year		111,877	605,926
Cash, end of period		\$ 164,584	\$ 259,907
Suplimentary Cash Flow Information:			
Interest paid		756	118,263

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

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

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 \$26,859,703 and used cash flow in operating activities of \$136,593 for the three months ended August 31, 2024. At year end August 31, 2024 the Company, has a working capital deficit of \$2,186,113.

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.

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

2 BASIS OF PRESENTATION

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended May 31, 2024.

The policies applied in these interim unaudited condensed financial statements are consistent with the policies disclosed in Notes 2, 3, and 4 of the audited annual consolidated financial statements for the year ended May 31, 2024.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on October 29, 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. 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.

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

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.

The consolidated financial statements for the three months ended August 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

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

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:

	August 31, 2024	May 31, 2024
Current (due within one year)	\$ 3,152,751	\$ 2,988,674
Non-Current	1,401,193	1,526,384
Total Liabilities	\$ 4,553,974	\$ 4,515,058

(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 6) 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 $\pm 10\%$ are "reasonably possible" over a one year period:

- (a) As at August 31, 2024, the Company had \$56,519 in cash, \$126,427 in accounts receivable and \$173,776 in accounts payable denominated US Dollar foreign currency.

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

(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.

4. PROPERTY, PLANT AND EQUIPMENT

August 31, 2024	Cost	Accumulated amortization	Net book value
Buildings	\$2,486,494	(697,420)	\$1,789,074
Equipment	\$1,109,067	(373,742)	\$ 735,325
Total	\$3,595,561	(1,071,162)	\$2,524,399

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

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

5. 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

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

-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 6).

Mineral Properties

	May 31, 2024	Sold	Adjustments	August 31, 2024
Purcell	\$ 2,020,677	-	-	2,020,677
	\$ 2,020,677	\$ -	-	\$ 2,020,677

	May 31, 2023	Sold	Adjustments (Note 6)	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

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

Mining Exploration Expenses

	For the Period Ended August 31, 2024	For the Year Ended May 31, 2024
Purcell	\$3,643	\$ 361,663
Thierry	-	649,731
	<u>\$3,643</u>	<u>\$1,011,394</u>

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

6. INVESTMENTS AND SECURITIES

	May 31, 2024 and August 31, 2024
Cuprum Corp, 23,260,000 common shares	\$ 2,791,200
Other Cuprum Corp. financial instruments – warrants	177,000
	<u>\$2,968,200</u>

See also Note 5 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 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% .

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

7. DEPOSITS AND PREPAIDS

	August 31, 2024	May 31, 2024
Restricted deposits	\$ 586,335	\$ 584,982
Advances and prepaids	93,776	103,916
Deposits and prepaid	\$ 680,011	\$ 688,898
Current portion	93,776	103,916
	\$ 586,335	\$ 584,982

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

8. ACCOUNTS RECEIVABLE AND HARMONIZED SALES TAX

	August 31, 2024	May 31, 2024
Trade receivables	\$ 126,437	\$141,508
Harmonized sales tax	9,895	3,922
	\$136,332	\$145,430

9. INVENTORY

	August 31, 2024	May 31, 2024
Crushing and screening	\$465,223	\$368,715
Ore-sorting	106,753	133,268
	\$571,976	\$501,983

During the period, \$256,390 of inventory was assigned to ore sorts (cost of sales).

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

10. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

Authorized and issued	Number of shares	
	August 31, 2024	May 31, 2024
Common shares, beginning of year	263,694,666	250,186,016
Issued for cash - shares (i)(iii)	-	9,008,648
Issued for flow-through share (ii)(iv)	3,700,000	4,500,002
Common shares	267,394,666	263,694,666
Opening	\$ 24,860,565	\$ 24,371,402
Issued for cash - shares shares(i)(iii)	-	450,432
Issued for flow-through share (ii)(iv)	222,000	247,500
Flow-through share premium (ii)(iv)	(22,200)	(45,000)
Share issue costs (i)(ii)(iii)(iv)	(10,500)	(15,925)
Fair value of warrants (i)(iii)(iv)	(57,694)	(147,844)
	\$ 24,992,171	\$ 24,860,565

i) 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.

ii) 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.

iii) 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.

iv) 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 flow-through 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.

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the year ended May 31, 2024 and three months ended August 31, 2024:

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(In Canadian dollars)

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2023	102,422,130	\$ 0.130
Issued	13,75500,000	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	0.1178
Issued	1,850,000	0.090
Issued	175,000	0.060
Expired	(3,401,857)	0.110
Balance, August 31, 2024	33,997,915	0.1143

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
2,000,000	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
1,850,000	0.09	July 24, 2026
175,000	0.06	July 24, 2026
33,997,915	0.114	

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%).

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(In Canadian dollars)

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.

During the period ended August 31, 2024, the Company valued 2,025,000 warrants at an average strike price of \$0.09 and an average expiry date of two years. The fair value of \$57,694 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 3.8% and historical volatility was used for calculation of expected average volatility of 133%.

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, 2023	20,260,556	\$ 0.10
Expired	(7,836,556)	0.16
Issued	10,350,000	0.05
Balance May 31, 2024 and August 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:

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 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

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(In Canadian dollars)

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%.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2024	May 31, 2024
Financial liabilities		
Accrued liabilities	\$ 531,376	\$ 536,863
Trade payables	1,442,583	1,430,811
	<u>\$ 1,973,959</u>	<u>\$ 1,967,674</u>

Included in accounts payable and accrued liabilities is \$220,357 (May 31 2024 - \$232,685) of amounts due to key management.

12. 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.

CANADIAN CRITICAL MINERALS INC.

NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

	Period Ended August 31, 2024	Year Ended May 31, 2024
Loan balance beginning of period	\$ 2,334,053	\$ 1,878,009
Additional loan	-	200,000
Accrued interest during the period	28,185	256,044
	<u>2,362,238</u>	<u>2,334,053</u>
Current portion	(1,118,822)	(961,000)
Long term portion	<u>\$ 1,243,416</u>	<u>\$ 1,373,053</u>

Key Management Compensation	Period ended August 31, 2024	Year ended May 31, 2024
Fees were charged by Director for corporate administrative and financial management services	15,000	60,000
Consulting fees were charged by officers and Directors	45,000	180,000
Accounting fees were charged by an officer for financial management services	14,481	53,130
Other		
Stock based compensation to directors and officers	-	183,364
	<u>\$ 74,481</u>	<u>\$ 295,035</u>

13. LOANS PAYABLE

Loans payable	August 31, 2024	May 31, 2024
CEBA Loans	<u>\$ 60,000</u>	<u>\$ 60,000</u>

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).

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NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED AUGUST 31, 2024

(In Canadian dollars)

14. 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% (2024 – 15%) and an estimated inflation rate of 3.0% (2024 – 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	\$126,328	\$201,025
Change of control – non-consolidation of Thierry Mine (Note 6)	-	(97,674)
Accretion	4,734	22,977
	<u>\$131,062</u>	<u>\$126,328</u>

15. COMMITMENTS AND CONTINGENCIES

In April and July 2024 and the Company has committed to spend \$469,500 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2025. As at August 31, 2024 the Company estimates \$246,800 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2025.

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 12 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 August 31, 2024 includes \$128,164 of this amount and there is a remaining commitment of \$105,000 USD to October 31, 2024.

16. EVENTS AFTER THE REPORTING PERIOD

On October 1, 2024 all shareholders of Cuprum received a conditional offer to exchange Cuprum shares for 1.1538 common shares of QC Copper and Gold Inc. (TSXV:QCCU OTCQB: QCCUF).

The Company has accepted QC Copper offer, holds 23,260,000 Cuprum shares (Note 6) and at current market price of \$0.13 per QC Copper shares, the fair value of the offer is estimated at \$3,488,860. (August 31, 2024 carrying value \$2,791,200)