
RICHMOND MINERALS INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2024 AND 2023



INDEPENDENT AUDITORS' REPORT

To the Shareholders of Richmond Minerals Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Richmond Minerals Inc. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2024, and the related consolidated statements of loss and comprehensive loss, statements of shareholders' equity, and cash flows for the years ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

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 Auditor's Responsibilities for the Audit of the Consolidated 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company incurred a comprehensive loss of \$760,036 and negative cash flow from continuing operating activities of \$232,564 during the year ended October 31, 2023 and, as of that date, the Company had a deficit of \$19,561,078. As stated in Note 1, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters - Comparative Information

The consolidated financial statements of the Company for the year ended May 31, 2023 were audited by another auditor who expressed an unqualified opinion on those statements on September 28, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section and the Other Matters section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Charles Sung.

CAN Partners LLP

Markham, Ontario
September 30, 2024

**Chartered Professional Accountants
Licensed Public Accountants**

Consolidated Statement of Financial Position

(In Canadian dollars)

As at:	Note	May 31, 2024	May 31, 2023
<u>ASSETS</u>			
Current			
Cash	5	\$ 389,494	\$ 13,793
Marketable securities and investments	6	143,269	398
HST receivable		40,784	4,978
Deposits and prepaid expenses		6,989	6,820
		<u>580,536</u>	<u>25,989</u>
Non-current			
Equipment	7	1,423	1,747
Exploration and evaluation asset	8	2,226,878	2,979,262
		<u>2,228,301</u>	<u>2,981,009</u>
		<u>\$ 2,808,837</u>	<u>\$ 3,006,998</u>
<u>LIABILITIES</u>			
Current			
Accounts payable and accrued liabilities	14	\$ 130,922	\$ 151,772
Loan payable	9	300,000	100,000
Flow-through share liability		4,301	36,801
Provision for indemnification of flow through share subscribers	10	210,000	210,000
		<u>645,223</u>	<u>498,573</u>
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	11	19,068,792	18,653,567
Contributed surplus	11	2,655,900	2,655,900
Deficit		(19,561,078)	(18,801,042)
		<u>2,163,614</u>	<u>2,508,425</u>
		<u>\$ 2,808,837</u>	<u>\$ 3,006,998</u>

Going Concern – Note 1

Subsequent Events – Note 18

/s/ Franz Kozich

Director

/s/ Philip Chong

Chief Financial Officer

Accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Loss and Comprehensive Loss

(In Canadian dollars)

	Note	Year ended	
		May 31, 2024	May 31, 2023
Expenses			
Management fees	14	\$ 40,733	\$ 54,467
Professional fees	14	96,453	28,149
Regulatory fees		47,352	31,778
Administrative and general		29,367	46,356
Interest and bank charges		11,685	426
Depreciation		324	398
		<u>225,914</u>	<u>161,574</u>
Other income (expenses)			
Gain on disposal of exploration and evaluation asset	8	643,736	-
Loss on sale of investments		(54,249)	-
Fair value adjustment of marketable securities and investments		(156,338)	(518)
Foreign exchange loss		(2,874)	-
Impairment of exploration and evaluation asset	8	(996,897)	-
		<u>(566,622)</u>	<u>(518)</u>
Net loss before income tax		(792,536)	(162,092)
Deferred income tax	16	32,500	2,942
Net loss and comprehensive loss		<u>\$ (760,036)</u>	<u>\$ (159,150)</u>
Loss per share			
Basic and diluted*		<u>\$ (0.025)</u>	<u>\$ (0.006)</u>
Weighted average number of shares outstanding			
Basic and diluted*		29,905,057	28,328,880

* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares and per share information has been retroactively adjusted to reflect the stock consolidation.

Accompanying notes form an integral part of these consolidated financial statements

Consolidated Financial Statements Year Ended May 31, 2024

Consolidated Statement of Cash Flows

(In Canadian dollars)

	Year Ended	
	May 31, 2024	May 31, 2023
Cash provided by (used in):		
Operating activities:		
Net loss for the year	\$ (760,036)	\$ (159,150)
Add (deduct): Items not requiring an outlay of cash		
Loss on sale of investments	54,249	-
Gain on disposal of exploration and evaluation asset	(643,736)	-
Depreciation	324	398
Fair value adjustment of marketable securities and investments	156,338	518
Reversal of flow-through share liability	(32,500)	(2,942)
Impairment of exploration and evaluation asset	996,897	-
Changes in non - cash operating working capital:		
Deposits and prepaid expenses	(169)	4,160
HST receivable	(35,806)	15,963
Accounts payable and accrued liabilities	31,875	59,311
	<u>(232,564)</u>	<u>(81,742)</u>
Investing activities:		
Proceeds from disposal of exploration and evaluation asset	217,145	-
Proceeds from sale of investments	73,134	-
Additions to exploration and evaluation asset	(222,014)	(106,110)
	<u>68,265</u>	<u>(106,110)</u>
Financing activities:		
Proceeds from loan payable	300,000	100,000
Repayment of loan payable	(100,000)	-
Proceeds from issuance of shares	340,000	-
	<u>540,000</u>	<u>100,00</u>
Increase (decrease) in cash	375,701	(87,852)
Cash, beginning of year	13,793	101,645
Cash, end of year	<u>\$ 389,494</u>	<u>\$ 13,793</u>
Non-cash transactions		
Shares issued for debt	\$ 52,725	\$ -
Shares issued for exploration and evaluation asset	22,500	-

Accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Shareholders' Equity

(In Canadian dollars)

	Number of Common Shares*	Share Capital	Contributed Surplus	Deficit	Total
Balance, May 31, 2022	28,328,880	\$ 18,653,567	\$ 2,655,900	\$ (18,641,892)	\$ 2,667,575
Net loss and comprehensive loss	-	-	-	(159,150)	(159,150)
Balance, May 31, 2023	28,328,880	\$ 18,653,567	\$ 2,655,900	\$ (18,801,042)	\$ 2,508,425
Issuance of shares for exploration and evaluation asset	30,000	22,500	-	-	22,500
Issuance of shares for cash	6,800,000	340,000	-	-	340,000
Issuance of shares for debt settlement	1,054,507	52,725	-	-	52,725
Net loss and comprehensive loss	-	-	-	(760,036)	(760,036)
Balance, May 31, 2024	36,213,387	\$ 19,068,792	\$ 2,655,900	\$ (19,561,078)	\$ 2,163,614

* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares has been retroactively adjusted to reflect the stock consolidation.

Accompanying notes form an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

Richmond Minerals Inc. (the "Company") was incorporated under the laws of the Province of Ontario and is listed on the TSX Venture Exchange under symbol (RMD). The Company has one wholly-owned subsidiary, 2743718 Ontario Inc., incorporated under the laws of the Province of Ontario, which holds the mineral rights of the Austrian properties which were impaired and disposed during 2023. The Company's head office and primary place of business is located at 120 Adelaide Street West, Suite 2500, Toronto, ON, CA, M5H 1T1.

The Company is engaged in base and precious metal mining and related activities, including exploration and development in Northern Ontario. The Company, directly and through joint ventures, is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at May 31, 2024, the Company has not achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable. The Company has a working capital deficit at year end in the amount of \$64,687 and has accumulated losses since inception in the amount of \$19,561,078. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities is dependent on the discovery of economically recoverable mineral reserves, the ability to obtain necessary financing to fund its operations, and the future production or proceeds from developed properties. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in these consolidated financial statements. These adjustments could be material.

2. Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee applicable to the preparation of consolidated financial statements. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. The consolidated financial statements were authorized and approved for issuance by the Board of Directors of the Company on September 30, 2024.

3. Material Accounting Policy Information

The below-described accounting policies have been applied to all of the periods presented in these consolidated financial statements.

(i) Basis of Preparation

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

Note 3 – Material Accounting Policy Information (Continued)

Stock consolidation

On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares and per share information has been retroactively adjusted to reflect the stock consolidation.

(ii) Basis of Consolidation

Subsidiaries consist of companies over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expense and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 2743718 Ontario Inc.

(iii) Foreign Currency

The Company's functional and presentation currency is the Canadian Dollar ("CAD").

Monetary assets and liabilities that are denominated in a currency other than the Company's functional currency are translated using the exchange rate in effect on the reporting date, whereas non-monetary items are translated using historical exchange rates. Expenses, if any, are translated at the exchange rate in effect on the transaction date. Exchange differences, if any, are recognized in profit or loss in the period in which they arise in foreign exchange gains/losses.

(iv) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transactions, if any, are set out in Note 12(ii) below.

The fair value determined at the grant date of the equity-settled share-based payments is expensed to the statement of loss and comprehensive loss over the vesting period, if any, which is the period during which the employee becomes unconditionally entitled to equity instruments. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest, if any.

Equity-settled share-based payment transactions with parties other than employees, if any, 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.

Share-based payments for goods and services are expensed to the statement of loss and comprehensive loss when they occur over the vesting period, if they do not vest immediately.

Note 3 – Material Accounting Policy Information (Continued)

(v) Income Taxes and Deferred Taxes

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense or benefit is recognized in the statement of loss and comprehensive loss except to the extent it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Taxable profit or loss differs from profit or loss as reported in the statement of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability or recovery for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. To the extent that the Company does not consider it to be probable that taxable profits will be available against which deductible temporary differences can be utilized, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly into equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Note 3 – Material Accounting Policy Information (Continued)

(vi) Exploration and evaluation asset

Exploration and evaluation (E&E) asset includes those costs required to find a mineral property and determine commercial viability. E&E asset include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

Exploration and evaluation costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are capitalized as Exploration and evaluation asset until such time as the Company expects that the decision is made to develop a mine to extract the mineral reserves within a reasonable period. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss. Once the decision to develop the mine is made, and subject to an impairment analysis, capitalized exploration and evaluation costs are transferred to capitalized costs within property, plant and equipment or intangible assets, as appropriate. The decision to develop a mine may be impacted by management's assessment of legal, environmental, social and governmental factors.

(vii) Equipment

Equipment is recorded and measured at initial recognition at cost. Amortization is provided on items of equipment so as to write off their carrying value over their expected useful economic lives and is calculated at 20% declining balance.

(viii) Impairment of Non-financial Assets Other than Goodwill

The carrying value of the Company's capitalized E&E asset is assessed for impairment when indicators of such impairment exist. Equipment are assessed for impairment at the end of each reporting period. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. 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 which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment can be considered on the basis of a cash generating unit ("CGU"). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or Company's other group of assets. The Company has determined that it operates one CGU.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged immediately to the statement of loss and comprehensive loss so as to reduce the carrying amount to its recoverable amount. Impairment losses related to continuing operations are recognized in the statement of loss and comprehensive loss in those expense categories consistent with the function of the impaired asset.

Note 3 – Material Accounting Policy Information (Continued)

For assets excluding goodwill and indefinite life intangibles, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss. Impairment losses recognized in relation to goodwill or indefinite life intangibles are not reversed for subsequent increases in its recoverable amount.

(ix) Financial Instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of loss in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVPTL are included in losses in the period in which they arise. Marketable securities and investments are classified as financial assets at fair value through profit or loss.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's cash are recorded at amortized cost as they meet the required criteria.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities and loan payable which are classified at amortized cost.

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Note 3 – Material Accounting Policy Information (Continued)

(x) Fair Value Hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(xi) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, if it is probable that the Company will be required to settle the obligation, and if a reliable estimate of the obligation amount can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. If the effect of the time value of money is material, the provisions are measured at their present value.

(xii) Loss per share

Basic earnings (loss) per share are calculated by dividing earnings (loss) attributable to common shares divided by the weighted average number of shares outstanding during the period.

Diluted earnings (loss) per share are calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options and warrants with exercise prices below the average market price for the year.

Shares issuable on exercise of stock options and warrants totaling 1,820,000 on May 31, 2024 (May 31, 2023: 34,891,665) was not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

(xiii) Government grants

Government grants related to assets, including investment tax credits, are recognized in the statement of financial position as a deduction from the carrying amount of the related asset. They are then recognized in profit or loss over the useful life of the depreciable asset that the grants were used to acquire, as a deduction from the depreciation expense.

Other government grants are recognized in profit or loss as a deduction from the related expense.

Note 3 – Material Accounting Policy Information (Continued)

(xiv) Flow-through shares

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed pro-rata as expenditures are made and are recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

(xv) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares and warrants, are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

(xvi) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(xvii) Restoration, rehabilitation and environmental obligations

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 as soon as the obligation to incur such costs arises.

Discount rates using a pretax rate that reflects 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. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at May 31, 2024, and 2023 as the disturbance to date is minimal.

Note 3 – Material Accounting Policy Information (Continued)

(xviii) Accounting judgments and sources of estimation uncertainty

In preparing financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and relies on assumptions and estimates that affect the amounts of the assets, liabilities and expenses reported in these consolidated financial statements and on the contingent liability and contingent asset information provided. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share-based payment transactions

The Company measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 11(ii).

Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Exploration and evaluation asset

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition. The determination of when an exploration asset moves from the exploration stage to the development stage is also subject to management judgment.

Restoration rehabilitation and environmental obligations

Management's assumption of no material restoration, rehabilitation and environmental obligations is based on facts and circumstances, which may be open to interpretation that existed during the period.

Note 3 – Material Accounting Policy Information (Continued)

(xviii) Accounting judgments and sources of estimation uncertainty (continued)

Accrued liabilities

Provisions for accrued liabilities are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. Where actual liabilities are different from the amounts that were initially recorded, such differences will be recorded in the period in which such determination is made.

Flow-through share liability

A deferred flow-through share liability is recognized at the time flow-through shares are issued, representing tax deductions that the Company has to pass on to the flow-through shares investors. As the exploration expenditures are made, the flow-through share liability is reversed on a pro-rata basis. Management apply judgment in determining whether the expenditures are qualifying expenditures for Canadian resource property exploration purposes.

Going concern

As described in Note 1, Management has applied significant judgment in the assessment of the Company's ability to continue as a going concern when preparing these financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so.

4. New Accounting Pronouncements

Adoption of new accounting standard

Amendments to IAS 1, Disclosure of Accounting Policies

On February 12, 2021, the IASB issued Disclosure Initiative of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments helped entities provide useful accounting policy disclosures. The key amendments included requiring entities to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments were adopted by the Company when they became effective on June 1, 2023. The adoption of the amendments did not have a material impact on the Company's consolidated financial statements.

Note 4 – New Accounting Pronouncements (continued)

Future accounting pronouncements

IAS 1, Presentation of Financial Statements

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current. In January 2020 and October 2022, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. For the purpose of non-current classification, a right to defer settlement or rollover of a liability must exist at the end of the reporting period and have substance. The Amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.

The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

The amendments are not expected to have an impact on the Company's consolidated financial statements.

5. Cash held for future exploration

Of the cash held by the Company at May 31, 2024, there is a balance to be spent of on Canadian Exploration Expenditures ("CEE") in the amount of \$12,903 (May 31, 2023: \$110,403) from flow-through financings in the previous years.

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

6. Marketable securities and investment

The Company had an investment in the following public company marketable securities which have been classified as Fair Value through Profit and Loss ("FVTPL").

	May 31, 2024		May 31, 2023	
	# shares	Fair Value	# shares	Fair Value
Integra Resources Corp.	102	\$ 124	256	\$ 397
Bitrush Corp.	580,000	1	580,000	1
European Lithium Limited ("EUR")	814,512	35,458	-	-
Options of EUR - unlisted	2,000,000	107,686	-	-
		<u>\$ 143,269</u>		<u>\$ 398</u>

During the year, the Company acquired 2,000,000 units of EUR's shares as part of the proceeds of disposal of Austria claims (Note 8(b)). These shares were valued at \$214,903 (\$0.11 per share) using the prevailing trading price of the shares on the date of closing. The Company sold 1,185,488 EUR shares for \$73,134 and recorded a loss of \$54,249.

The Company also acquired 2,000,000 unlisted options of EUR, exercisable at \$0.12 each and will expire 3 years from the date of issuance. The fair value of the options was estimated to be \$211,689 and \$107,686, respectively, based on the Black-Scholes option-pricing model with the following assumptions on the date of closing and May 31, 2024:

	July 6, 2023	May 31, 2024
Share price	\$ 0.1075	\$ 0.0551
Expected dividend yield	Nil	Nil
Exercise price	\$0.12	\$0.12
Risk-free interest rate	4.40%	4.00%
Expected life	3 years	2.1 years
Expected volatility	281%	332%

A loss of \$156,338 (May 31, 2023 – \$518) was recognized on the adjustment of FVTPL financial instruments to market for the remaining marketable securities and investment.

7. Equipment

Cost	Balance at May 31, 2022	Additions	Balance at May 31, 2023	Additions	As at May 31, 2024
Furniture and equipment	\$ 30,459	\$ -	\$ 30,459	\$ -	\$ 30,459
Accumulated depreciation					
Furniture and equipment	\$(28,314)	(398)	(28,712)	(324)	(29,036)
Carrying amount			\$ 1,747		\$ 1,423

Richmond Minerals Inc.
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8. Exploration and evaluation asset

The following is a summary of the Company's exploration and evaluation properties:

	Swayze Area, Porcupine Mining (a)	Oberzeiring (b)	Carinthia / Salzburg (c)	Total
Balance at June 1, 2022	\$ 1,951,396	\$ 886,030	\$ 35,726	\$ 2,873,152
Current year deferred expenditures	77,055	29,055	-	106,110
Balance at May 31, 2023	2,028,451	915,085	35,726	2,979,262
Current year deferred expenditures	175,927	46,086	-	222,013
Shares issued for mineral claims	22,500	-	-	22,500
Impairment of exploration and evaluation asset	-	(961,171)	(35,726)	(996,897)
Balance at May 31, 2024	<u>\$ 2,226,878</u>	<u>-</u>	<u>-</u>	<u>\$ 2,226,878</u>

- (a) The Company holds 100% interest in a group of 196 contiguous unpatented mineral claims ("Ridley Lake Property") located in the Swayze Area, Porcupine Mining Division, Raney and Rollo Townships, Ontario.

During the year ended May 31, 2024, the Company acquired 9 mineral exploration claims in the Rollo Township area of Ontario for 150,000 pre-consolidation common shares of the Company, valued at \$22,500. The Claims are contiguous with Richmond's Ridley Lake Property.

- (b) During the previous years, the Company acquired 100% interest in a group of 99 contiguous mineral claims located near the town of Oberzeiring in the province of Styria, Austria. The original cost of the acquisition was 40,000,000 shares of the Company issued at a value of \$0.02 per share or \$800,000 in total. The 99 exploration licenses expired on December 31, 2023. The Company decided to halt exploration activities and plans to phase out all Austrian projects in coming months. As a result, an impairment of \$961,171 was recorded on the Oberzeiring Property as at May 31, 2024.

During the year ended May 31, 2023, the Company acquired 245 exploration licenses located in the Wildbachgraben, Klementkogel and Bretstein areas of Austria which are considered prospective for lithium occurrences. Additionally, 219 exploration licences were acquired in the Lower Austria region which are considered prospective for graphite. The cost of the acquisitions was \$Nil as the licenses were acquired through map staking.

On June 27, 2023, the Company sold all the above newly acquired rights, title and interest in the Bretstein-Lachtal, Klementkogel, and Wildbachgraben Projects consisting of 245 exploration licenses for the consideration of \$217,145 (\$250,000 Australian), 2,000,000 fully paid ordinary shares of European Lithium Limited ("EUR") valued at 214,903 and 2,000,000 unlisted options of EUR exercisable at \$0.12 each which expire 3 years from the date of issue valued at \$211,688. The Company recorded a total proceeds and gain of \$643,736 during the year for this transaction. See Note 6 for detailed valuation.

- (c) During the year ended May 31, 2022, the Company acquired 100% interest in 10 exploration properties totaling 554 exploration licenses located in the Carinthia and Salzburg areas of Austria. The original cost of the acquisition was \$29,088. During the year ended May 31, 2023, the Company acquired 100% interest in 364 additional exploration licences, bringing the total number of exploration licences located in the Carinthia and Salzburg areas of Austria to 918. The Company plans to phase out all Austrian projects in coming months and as a result an impairment of \$35,726 was recorded on the Carinthia / Salzburg Property as at May 31, 2024.

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

9. Loan Payable

As at May 31, 2024 the Company had a loan balance in the amount of \$300,000. The loan was entered into on May 14, 2024, with KNP Group Inc. a company controlled by the CFO of the Company (Note 14), to borrow \$300,000 with an interest rate of 12% per annum payable in arrears at maturity or full repayment. The loan is unsecured and was repaid subsequent to year end (Note 18).

As at May 31, 2023, the Company had a loan balance in the amount of \$100,000. The loan was entered into on May 27, 2023, with KNP Group Inc. to borrow \$100,000 for a flat fee of \$10,000, payable on or before July 7, 2023. The loan was unsecured and was repaid on July 26, 2023.

10. Provision for Indemnification of Flow-through Share Subscribers

As at December 31, 2019, the Company was committed to incur \$494,600 in qualifying Canadian exploration expenditures prior to December 31, 2019, pursuant to two 2018 private placements for which flow-through share proceeds had been received by the Company and then renounced to Ontario subscribers effective December 31, 2018.

The Company incurred actual qualifying expenditures of \$242,059 in 2018 and 2019, leaving a shortfall of \$252,541 as at December 31, 2019. Accordingly, effective December 31, 2019 the Company recorded a \$210,000 provision for the estimated cost to indemnify flow-through share subscribers for their expected personal income tax reassessments by Canada Revenue Agency attributable to each subscriber's proportionate share of the shortfall as well as estimated Federal Part XII.6 tax on the Company. The indemnifications are provided for in the underlying subscription agreements for the private placements. Canada Revenue Agency has not audited the use of the funds received from the 2018 flow-through shares placements and no notices of reassessments have been received to date.

The Company has made the following assumptions in estimating the subscriber indemnification provision:

- Ontario subscribers have a combined personal income tax rate of 53.53% and are eligible for both the federal 15% and the provincial 5% investment tax credits; and,
- Subscribers will be assessed two year's interest on reassessed amounts.

11. Share Capital and Contributed Surplus

(i) Share capital

Authorized: Unlimited number of common shares with no par value

Issued and outstanding common shares consist of the following:

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Beginning of the year*	28,328,880	28,328,880
Shares issued for mineral claims (a)*	30,000	-
Shares issue for cash (b)	6,800,000	-
Shares issue for debt (b)	1,054,507	-
End of year	<u>36,213,387</u>	<u>28,328,880</u>

* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares has been retroactively adjusted to reflect the stock consolidation.

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

Note 11 – Share Capital and Contributed Surplus (Continued)

(i) Share capital

During the current year, the Company issued common shares as follow:

- (a) On July 10, 2023, the Company acquired nine mineral claims in the Rollo Township area for 150,000* pre-consolidation common shares.
- (b) On March 20, 2024, the Company completed a non-brokered private placement of 6,800,000 common shares at a price of \$0.05 per share, for gross proceeds of \$340,000 (the "Private Placement"). Two of the subscribers in the Private Placement are related parties of the Company. The Company also completed a share for debt transaction with two related parties of the Company settling an aggregate debt of \$52,725. The Company issued a total of 1,054,507 common shares to satisfy such debts at a deemed price per share of \$0.05 (the "Share for Debt Transaction").

(ii) Stock Options

The Company's Stock Option Plan ("the "Plan") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Company's common shares on the date of the grant to directors, officers, employees and consultants to the Company. The option period for options granted under the Plan is for a maximum period of 5 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised.

Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

The following table summarizes information about the stock options outstanding and exercisable:

	Year ended May 31, 2024		Year ended May 31, 2023	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of year*	1,820,000	\$0.50	1,820,000	\$0.50
Granted during the year	-	-	-	-
Balance at end of year	1,820,000	\$0.50	1,820,000	\$0.50
Exercisable at end of the year	1,820,000	\$0.50	1,820,000	\$0.50

*On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Stock Options and their exercise price has been retroactively adjusted to reflect the stock consolidation.

All options are vested. The following table summarizes share units outstanding at the end of year:

Exercise Price	Number of Options	Expiry Date	Weighted Average Remaining Life
\$0.50	1,820,000	18-May-25	1.38

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

Note 11 – Share Capital and Contributed Surplus (Continued)

(ii) Warrants

The following table summarizes information about the warrants outstanding and exercisable:

	May 31, 2024		May 31, 2023	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of year*	235,167	\$ 0.50	593,500	\$0.50
Issued	-	-	-	-
Expired during the year	(235,167)	0.50	(358,333)	0.50
Balance at end of year	-	\$ -	235,167	\$ 0.50

* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Warrants and their exercise price has been retroactively adjusted to reflect the stock split.

12. Financial Instruments at Fair Value

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Company's marketable securities and investments fall:

	May 31, 2024			May 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities	\$ 35,582	\$ -	-	\$ 398	-	-
Options on listed securities	-	107,686	-	-	-	-
	\$35,582	\$ 107,686	-	\$ 398	-	-

13. Financial Instruments Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

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 obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank account at a large financial institution.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is debt and equity financing, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities.

13. Financial Instruments Risk Management

Liquidity risk (Continued)

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional debt or equity financing. It is anticipated that the Company will continue to rely on debt or equity financing to meet its ongoing working capital requirements. At year end the Company has a working capital deficiency in the amount of \$64,687 and therefore liquidity risk is considered high.

Market risk

The Company's marketable securities and investments are classified as fair value through profit or loss and are subject to changes in the market prices. They are recorded at fair value in the Company's consolidated financial statements, based on the closing market value at the end of the period for each security included.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk through its financial instruments bearing interest, such as loan payable. The Company does not have any debt with variable interest rates, thereby minimizing the Company's exposure to cash flow interest rate risk.

The Company is exposed to foreign exchange risk from purchase transactions denominated in foreign currencies. As at May 31, 2024, the Company does not have any significant financial assets and liabilities denominated in foreign currencies.

14. Related Party Transactions

The Company's related parties include its key management, shareholder and their close family members, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company had the following transactions and balances with its related parties:

	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Management fees and consulting fees	\$40,733	\$60,431
Professional fees	28,000	-
Professional fees charged to exploration properties	6,700	73,955
Interest expense	10,000	-
	<u>\$85,433</u>	<u>\$134,386</u>
<u>Balances</u>		
Payable	68,355	109,321
Loan payable	300,000	-
Prepaid	2,500	-

Amounts due from and to the related parties are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

14. Related Party Transactions (Continued)

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the year ended May 31, 2024, KNP Group Inc., a company controlled by the CFO of the Company, acquired 4,000,000 common shares and a director acquired 500,000 common shares in the March 2024 private placement (Note 11). The Company also issued 300,000 common shares to repay debts of \$15,000 owing to the CEO of the Company and 754,507 common shares to repay debts of \$37,725 owing to a company affiliated with a director of the Company (Note 11).

15. Capital Management

The Company considers its capital structure to consist of share capital, contributed surplus and accumulated deficit. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of exploration and evaluation asset. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended May 31, 2024. Neither the Company are subject to externally imposed capital requirements.

16. Income Taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.50% (2023 – 26.50%) to the net loss for the year. The reason for the difference is as follows:

	2024	2023
Loss before income taxes	\$ (792,536)	\$ (162,092)
Recovery of income taxes based on statutory rate	(210,022)	(42,954)
Net adjustment for:		
Items not deductible for tax purposes	400	254
Marketable securities	41,429	137
Share issuance costs	(318)	(315)
Non-taxable portion of realized gain	107,964	-
Adjustment to prior year deferred tax assets	(61,953)	-
Valuation allowance	155,000	45,820
Income taxes recovery	\$ 32,500	\$ 2,942

Richmond Minerals Inc.
Notes to the Consolidated Financial Statements

Note 16 – Income Taxes (Continued)

The Company's deferred income tax asset, computed by applying a future federal and provincial statutory rate of 26.50%, comprises the following:

	2024		2023
Net operating losses carried forward	\$889,000	\$	828,000
Resource properties	998,000		945,000
Equipment	5,000		5,000
Marketable securities and investments	69,000		28,000
Other	1,000		1,000
Net deferred tax assets	1,962,000		1,807,000
Valuation allowance	(1,962,000)		(1,807,000)
Deferred income tax asset	\$ -	\$	-

At May 31, 2024, the Company has a non-capital loss of approximately \$3,033,000 available for carry-forward which has not been recognized in these consolidated financial statements. These losses expire, if unused, as follows:

Year	Amount
2026	\$264,000
2027	262,000
2030	31,000
2031	40,000
2032	39,000
2033	21,000
2034	22,000
2035	251,000
2036	320,000
2037	241,000
2038	305,000
2039	295,000
2040	329,000
2041	350,000
2042	194,000
2043	162,000
2044	228,000
	<u>\$3,354,000</u>

In addition, the Company has approximately \$5,230,000 in Canadian Exploration Expenditures ("CEE"), \$875,000 in Canadian Development Expenditures ("CDE"), which may be applied against certain profit realized on its mining properties and do not expire. The potential benefit of these tax pools has not been recognized within these consolidated financial statements.

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17. Segmented information

The Company is operating in one industry segment, Junior exploration and evaluation, but operates geographically in two countries, Canada and Austria. The breakdown of the assets by region is as follows:

As at May 31, 2024:

Country	Exploration and evaluation asset	Equipment	Current assets	Total
Canada	\$ 2,226,878	\$ 1,423	\$ 580,536	\$ 2,808,837
Austria	-	-	-	-
	<u>\$ 2,226,878</u>	<u>\$ 1,423</u>	<u>\$ 580,536</u>	<u>\$ 2,808,837</u>

As at May 31, 2023:

Country	Exploration and evaluation asset	Equipment	Current assets	Total
Canada	\$ 2,028,451	\$ 1,747	\$ 25,989	\$ 2,056,187
Austria	950,811	-	-	950,811
	<u>\$ 2,979,262</u>	<u>\$ 1,747</u>	<u>\$ 25,989</u>	<u>\$ 3,006,998</u>

Except for the proceeds and gain of \$643,736 from the disposal of certain Austrian claims and the \$996,891 impairment recorded (Note 8) under the Austria segment, all other profits and losses fall under the Company's Canadian segment.

18. Subsequent events

On May 14, 2024, the Company entered into a loan agreement with KNP Group, Inc. ("KNP") to borrow \$300,000 from KNP with an interest rate of 12% per annum payable in arrears at maturity or full repayment. The debt was repaid on June 28, 2024.

19. Comparatives

Certain comparative figures included in these consolidated financial statements have been reclassified to conform with the current year presentation.