KERMODE RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED
JANUARY 31, 2024 and 2023

(Unaudited)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), 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 unaudited condensed interim financial statements of Kermode Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. The condensed interim financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed interim financial statements have not been reviewed by the Company's independent auditor.

KERMODE RESOURCES LTD
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)
As at January 31, 2024 and October 31, 2023

As at	Note	January 31, 2024	October 31, 2023
		$	$
Assets			
Current assets			
Cash		7,051	3,903
Miscellaneous receivables		7,919	9,314
Prepaid expenses		-	12,500
Total current assets		14,970	25,717
Exploration and evaluation assets	6	1,194,826	1,064,792
Total assets		**1,209,796**	1,090,509
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7	289,376	253,308
Advances payable	5	29,808	29,808
Total current liabilities		319,184	283,116
Shareholders' deficiency			
Share capital	8	11,487,897	11,358,713
Contributed surplus	9	228,834	219,800
Deficit		(10,826,119)	(10,771,120)
Total shareholders' deficiency		890,612	807,393
Total liabilities and shareholders' deficiency		**1,209,796**	1,090,509

Nature of business and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized by the Board on March 22, 2024.

"Roger Lewis"
Director

"Tek Manhas"
Director

KERMODE RESOURCES LTD
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)
For the three months ended January 31, 2024 and 2023

	Note	January 31, 2024	January 31, 2023
		$	$
Operating expenses			
Management fees	7	28,000	6,000
Office and sundry	7	405	1,297
Professional fees	7	12,500	5,000
Property investigation		-	19,156
Share-based compensation	9	9,034	71,870
Transfer agent and filing fees		5,060	19,980
Loss and comprehensive loss for the period		**(54,999)**	(123,303)
Basic and diluted loss per share		**(0.00)**	(0.01)
Weighted average number of common shares outstanding, basic and diluted		**28,849,023**	13,199,974

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

KERMODE RESOURCES LTD.
Condensed Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian Dollars)
For the three months ended January 31, 2024 and 2023

	Note	Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
		#	$	$	$	$
Balance, October 31, 2022		**11,963,017**	**10,100,588**	**138,776**	**(10,239,014)**	**350**
Shares issued for Property		2,200,000	330,000	-	-	330,000
Share-based compensation		-	-	71,870	-	71,870
Loss for the period		-	-	-	(123,303)	(123,303)
Balance, January 31, 2023		**14,163,017**	**10,430,588**	**210,646**	**(10,362,317)**	**278,917**
Private Placement		757,300	75,730	-	-	75,730
Share issue costs-cash		-	(800)	-	-	(800)
Shares issued for debt		648,557	64,856	-	-	64,856
Share issued for Property		9,174,213	757,339	-	-	757,339
Shares issued for services		500,000	31,000	-	-	31,000
Share-based compensation		-	-	71,698	-	71,698
Stock options canceled		-	-	(62,544)	62,544	-
Loss for the period		-	-	-	(471,347)	(471,347)
Balance, October 31, 2023		**25,243,087**	**11,358,713**	**219,800**	**(10,771,120)**	**807,393**
Share issued for Property	**8**	4,861,170	101,184	-	-	101,184
Shares issued for services		1,300,000	28,000	-	-	28,000
Share-based compensation	**9**	-	-	9,034	-	9,034
Loss for the period		-	-	-	(54,999)	(54,999)
Balance, January 31, 2024		**31,404,257**	**11,487,897**	**228,834**	**(10,826,119)**	**890,612**

KERMODE RESOURCES LTD
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)
For the three months ended January 31, 2024 and 2023

	Note	**January 31, 2024**	January 31, 2023
		$	$
Operating Activities			
Loss for the period		(54,999)	(123,303)
Items not affecting cash:			
Shares issued for debt		-	-
Shares issued for management fees		28,000	-
Share based compensation		9,034	71,870
Change in non-cash working capital items			
Receivables		6,699	(5,373)
Prepaid expenses		12,500	22,839
Accounts payable and accrued liabilities		1,914	38,495
Net cash provided by operating activities		3,148	4,528
Investing activities			
Exploration and evaluation assets		-	(21,696)
Net cash used in investing activities		-	(21,696)
Change in cash for the period		**3,148**	(17,168)
Cash, beginning of the period		**3,903**	30,041
Cash, end of the period		**7,051**	12,873
Supplemental schedule of non-cash transactions:			
Shares issued for mineral property acquisition, exploration, and evaluation		101,184	330,000
Shares issued for management services		28,000	-
Exploration and evaluation expenditures included in accounts payable and accrued liabilities		52,232	25,564

1. NATURE OF BUSINESS AND GOING CONCERN

Kermode Resources Ltd. ("Kermode" or the "Company") was incorporated under the laws of the Province of Alberta and was subsequently continued into British Columbia.

The Company is primarily engaged in the business of acquiring, exploring, and transacting in mineral exploration properties located in Canada and the USA. There has been no determination whether properties held contain economically recoverable mineral resources. The Company's shares are listed on the TSX Venture Exchange ("TSX-V"). The Company's registered and records office is 1 – 505 Fisgard Street, Victoria, British Columbia, Canada. During the year ended October 31, 2023, the Company consolidated its share capital on a ten (10) old for one (1) new basis. All share, option, warrant and per share amounts have been retroactively restated to reflect this consolidation.

These unaudited condensed interim financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception and expects to incur further losses in the development of its business and at January 31, 2024, the Company had a working capital deficit (being an excess of current liabilities over current assets) of $304,214 and at that date, the Company also had an accumulated deficit of $10,826,119 which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, under International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed interim financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the annual financial statements for the year ended October 31, 2023, which have been prepared in accordance with IFRS Accounting Standards.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended October 31, 2023.

The financial statements of the Company are presented in Canadian dollars, which is also the functional currency of the Company.

Basis of presentation

The financial statements of the Company have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. NEW AND FUTURE ACCOUNTING STANDARD AND PRONOUNCEMENTS

New standards or amendments to existing standards issued but which have not yet been applied by the Company based on the effective date are not currently expected to have a material impact on the Company's financial statements.

4. ACCOUNTING POLICY JUDGEMENTS AND ESTIMATION UNCERTAINTY

a) Accounting policy judgments

The preparation of these financial statements requires making judgments that affect the amounts reported. Accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Going concern
The Company's management has assessed the Company's ability to continue as a going concern. The factors considered by management include, among other things, the Company's cash position at January 31, 2024; its projected exploration and general operating costs; its ability to raise financing and its intention to continue operating the Company.

Impairment assessment of exploration and evaluation assets
At the end of each reporting period, management applies judgement in assessing whether there are any impairment indicators relating to exploration and evaluation assets When assessing whether there are impairment indicators management considers whether (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and

the Company has decided to discontinue such activities in the specific area; and (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. In considering these factors, management did not identify any impairment indicators for the three months ended January 31, 2024.

b) Significant estimates

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options. The main factor affecting the estimates of the fair value of stock options is the volatility used. The Company currently estimates the expected volatility of its common shares based on the trading history of the Company taking into consideration the expected life of the options. In addition, the Performance Share Units have a performance multiplier of up to 10:1 which can significantly increase the value of the award granted. In determining the expense for accounting purposes, the Company has estimated the multiplier to be 1:1.

5. ADVANCES PAYABLE

Advances payable as of January 31, 2024 of $29,808 (October 31, 2023 - $29,808) are due to a company with common former directors. The amount is non-interest bearing, unsecured with no specified terms of repayment.

6. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

The Company has not yet determined if the exploration and evaluation assets contain economic ore recoveries.

(Unaudited - Expressed in Canadian Dollars)

The following table summarizes the projects where the Company continues to advance the agreement:

	Bamfield Copper	**Black Panther**	**Caycuse**	**Gold Rush**	**Khrysos & Silver Bell**	**Lucky Strike**	**Mt. Sicker**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, October 31, 2022	**-**	**-**	**-**	**-**	**-**	**158,093**	**-**
Acquisition Costs	-	120,000	162,500	-	150,000	90,000	-
Exploration	-	18,434	14,839	-	28,689	29,610	7,823
Write down	-	-	-	-	-	-	-
Balance, October 31, 2023	**-**	**138,434**	**177,339**	**-**	**178,689**	**277,703**	**7,823**
Acquisition Costs	-	-	-	-	-	-	-
Exploration	3,605	2,951	-	600	-	-	39,702
Write down	-	-	-	-	-	-	-
Balance, January 31, 2024	**3,605**	**141,385**	**177,339**	**600**	**178,689**	**277,703**	**47,525**

	Santa Ana	**Santana**	**Slesse Creek**	**Tonya**	**Trio**	**Vigh Graphite**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, October 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**158,093**
Acquisition Costs	210,000	-	40,000	-	-	-	**772,500**
Exploration	14,258	-	18,269	-	2,277	-	**134,199**
Write down	-	-	-	-	-	-	**-**
Balance, October 31, 2023	**224,258**	**-**	**58,269**	**-**	**2,277**	**-**	**1,064,792**
Acquisition Costs	-	-	-	-	-	30,000	**30,000**
Exploration	5,776	1,512	9,543	34,154	2,191	**-**	**100,034**
Write down	-	-	-	-	-	-	**-**
Balance, January 31, 2024	**230,034**	**1,512**	**67,812**	**34,154**	**4,468**	**30,000**	**1,194,826**

(Unaudited - Expressed in Canadian Dollars)

The following table summarizes the projects where the Company has abandoned the agreement:

	East-gate Ne-vada	**Grey Copper / Jona-than's Pond**	**Little Bay Copper**	**Loup Creek**	**Star of the West**	**Vidette Lake**	**911 Knock-out**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, October 31, 2022	**-**	**-**	**42,000**	**-**	**17,947**	**-**	**-**	**59,947**
Acquisition Costs	-	-	-	-	-	-	-	-
Exploration	-	-	-	-	-	-	-	-
Balance, January 31, 2023	**-**	**-**	**42,000**	**-**	**17,947**	**-**	**-**	**59,947**
Acquisition Costs	-	70,000	-	-	-	-	-	70,000
Exploration	-	44,009	-	23,759	68,970	-	7,936	144,674
Write down	-	(114,009)	(42,000)	(23,759)	(86,917)	-	(7,936)	(274,621)
Balance, October 31, 2023 and January 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Projects where the Company continues to advance the agreement:

1) Bamfield Copper, British Columbia

On December 20, 2023, the Company entered into a non-binding letter of intent option agreement to acquire a 100% interest in the Bamfield Copper project in British Columbia. The transaction has not closed.

To complete the acquisition, the Company is required to issue 3,600,000 common shares as follows:

a. 900,000 common shares on the Exchange approval date;
b. an additional 1,200,000 Shares on or before 12 months following the Exchange approval date;
c. an additional 1,500,000 Shares on or before 24 months following the Exchange approval date;

The property is subject to a Net Smelter Return royalty (“NSR”) of 3% with a $3,000,000 buy-down option.

2) Black Panther, British Columbia

On August 10, 2023, the Company entered into an option agreement to acquire a 100% interest in the Black Panther project on Vancouver Island, British Columbia.

To complete the acquisition, the Company is required to issue 4,800,000 common shares as follows:

a. 1,200,000 common shares on the Effective Date (issued August 11, 2023, valued at $120,000);
b. an additional 1,200,000 Shares on or before 12 months following the Effective Date;
c. an additional 1,200,000 Shares on or before 24 months following the Effective Date;
d. an additional 1,200,000 Shares on or before 36 months following the Effective Date;

The property is subject to a Net Smelter Return royalty ("NSR") of 3% with a $6,000,000 buy-down and a Sale Participation Right of 30% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

3) Caycuse Copper, British Columbia

On December 9, 2022, the Company entered into an option agreement to acquire a 100% interest in the Caycuse Copper project located in British Columbia pursuant to which the Company issued 1,500,000 common shares valued at $150,000. In order to complete the acquisition, the Company is required to issue 500,000 common shares annually for the next nine years. On October 17, 2023, the Company issued 500,000 shares as the 1st anniversary payment, valued at $10,000. As at January 31, 2024, the project's acquisition cost is $162,500.

The property is subject to a NSR of 1% with a $1,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

4) Gold Rush Project, British Columbia

On January 11, 2024, the Company entered into an option agreement to acquire a 100% interest in the Gold Rush project comprised of mineral claims located in British Columbia. Pursuant to the option agreement, the Company must pay cash of $50,000 on or before the second anniversary and additional cash of $100,000 on or before the fourth anniversary of closing.

The property is subject to a NSR of 1% subject to a $1,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

5) Khrysos & Silver Bell Project, British Columbia

On, May 26, 2023, the Company entered into an option agreement with Aurum Vena Mineral Resources Corp. to acquire a 100% interest in the Khrysos and Silver Bell projects located in British Columbia. On May 26, 2023, the Company issued 1,500,000 common shares valued at $150,000 and is required to issue an additional 1,500,000 on or before May 2028. The property is subject to a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

(Unaudited - Expressed in Canadian Dollars)

6) Lucky Strike, British Columbia

On July 20, 2022, the Company entered into an option agreement to acquire a 100% interest in the Lucky Strike Copper project in British Columbia.

Pursuant to the option agreement, the Company issued 900,000 common shares valued at $135,000 in fiscal 2022 and 900,000 common shares valued at $90,000 in fiscal 2023. To exercise the option the Company must issue an additional 900,000 common shares on or before July 2024. The Project land position covers 2,739 hectares. There are no work commitments for the Company. There shall be a 2% "Net Smelter Return Royalty" payable to the vendor group, where each one percent can be bought down for $1,000,000.

7) Mt. Sicker, British Columba

On October 25, 2023, the Company entered into the option agreement to acquire a 100% interest in the Mt. Sicker project located in British Columbia.

To complete the acquisition, the Company is required to pay $210,000 and issue 20,000,000 common shares as follows:

Timing	Cash	Securities	Exploration or Other Work Commitments
Exchange Approval	$Nil	Nil	$Nil
Year 1	$Nil	2,500,000	$Nil
Year 2	$10,000	2,000,000	$Nil
Year 3	$20,000	2,500,000	$Nil
Year 4	$30,000	3,000,000	$Nil
Year 5	$50,000	4,000,000	$Nil
Year 6	$100,000	6,000,000	$Nil
Total	$210,000	20,000,000	$Nil

The property is subject to a NSR of 2% with a $1,000,000 buy-down and a Sale Participation Right of 5% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

8) Santa Anna Project, British Columbia

On September 20, 2023, entered into an option agreement to acquire a 100% interest in the Santa Anna project in British Columbia.

Pursuant to the option agreement, the Company issued 2,100,000 common shares valued at $210,000 on September 20, 2023. To exercise the option, the Company must issue an additional 2,800,000 common shares within 24 months and 3,500,000 common shares within 60 months of closing.

The property is subject to a NSR of 2% with a $3,500,000 buy-down and a Sale Participation Right of 7% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

9) Slesse Project, British Columbia

On June 22, 2023, the Company entered into an option agreement to acquire a 100% interest in the Slesse Creek project located in British Columbia.

Pursuant to the option agreement, the Company issued 400,000 common shares valued at $40,000. To exercise the option, the Company must issue an additional 400,000 common shares within 12 months and 900,000 common shares within 24 months of closing.

The property is subject to a NSR of 1% with a $1,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

10) Tonya, Nevada, USA

On August 16, 2023, the Company initiated an option agreement to lease certain unpatented mining claims owned by Gold Range LLC in Pershing County, Nevada, USA, called the Tonya project. The option provides Kermode with the right but not the obligation to undertake a lease of the property. Kermode will not issue any shares under the transaction at any time. The first phase of the deal is the option, where Kermode begins with a one-year term that can be renewed for additional one-year periods by mutual consent of the counterparties so long as Kermode is paying or causing to be paid all annual claim maintenance fees and holding costs. Prior to completing any drilling activities on the property Kermode will first be required to enter into the lease agreement contemplated in the Option Agreement.

The second phase of the deal is a lease, where Kermode commits to a schedule of annual cash advance royalty payments, starting at US$5,000 in the first year and increasing to US$250,000 on the eighth anniversary and thereafter. In addition, there is a total five percent (5%) NSR Production Royalty where (i) a two percent royalty (2%) has no buy-down provision; and (ii) a three percent (3%) royalty with a five million US$5,000,000 buy-down prior to the earlier of production or the Fifth Anniversary. In addition, there is also a thirty percent (30%) future sales interest.

11) Trio, British Columbia

On July 24, 2023, the Company entered into an option agreement to acquire a 100% interest in the Silverbell Trio project located on Vancouver Island, British Columbia.

To earn a 100% interest in the project, the Company assigned the vendors a NSR of 2% with a $2,000,000 buy-down and a Sale Participation Right of 20% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

12) Vigh Graphite Project, British Columbia

On December 7, 2023, the Company entered into an option agreement to acquire a 100% interest in the Vigh Graphite project comprised of mineral claims located in British Columbia. Pursuant to the option agreement, the Company issued 1,500,000 common shares valued at $30,000 based on the closing price of the Company's stock on the TSX-V on the date of issuance. To exercise the option, the Company must issue an additional 1,500,000 common shares within 36 months of closing. The property is subject to a NSR of 5% of which 3% is subject to a $3,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

13) Eastgate BC Project, British Columbia

On June 22, 2023, the Company entered into an option to acquire a 100% interest in the Eastgate project located in British Columbia.

On February 16, 2024, the deal terms for the Eastgate BC property were amended, such that to earn a 100% interest in the project, the Company assigned the vendors a NSR of 1% with a $1,000,000 buy-down and a Sale Participation Right of 60% of gross proceeds received by the Company from any future sale of disposition of any interest in the property for a period of ten years.

Projects where the Company has ceased to advance the agreement:

14) Grey Copper / Jonathan's Creek, Newfoundland

On December 13, 2022, the Company entered into an option agreement to acquire a 100% interest in the Grey Copper/Jonathan's Pond project located in Newfoundland.

Pursuant to the option agreement, the Company issued 700,000 common shares valued at $70,000. To exercise the option, the Company must issue an additional 300,000 common shares within 12 months and 300,000 common shares within 24 months of closing.

The property is subject to a NSR of 1% with a $1,000,000 buy-down. During fiscal 2023, the Company suspended operation in Newfoundland and recorded an impairment to charge exploration and evaluation costs of $114,009 to operations.

15) Little Bay Copper, Newfoundland

On April 11, 2022, the Company entered into an option agreement with Grassroots Prospecting and Prospect Generation Inc. to acquire a 100% interest in the Little Bay Copper project in Newfoundland.

Pursuant to the option agreement, the Company issued 150,000 common shares valued at $30,000 and paid cash of $12,000 during the year ended October 31, 2022. To exercise the option, the

Company must pay an additional $250,000 within 48 months of closing, and issue 3,150,000 common shares and incur $4,250,000 in exploration expenditures in stages over the next 48 months.

On exercise of the option, there will be a 2% net smelter returns royalty with a buy-back of 1% for $2,000,000.

During fiscal 2023, the Company suspended operation in Newfoundland and recorded an impairment to charge exploration and evaluation costs of $42,000 to operations.

16) Loup Creek, British Columbia

On December 12, 2022, the Company entered into an option agreement to acquire a 100% interest in the Loup Creek project in BC.

To earn a 100% interest in the project, the Company assigned the vendors a NSR of 2% with a $2,000,000 buy-down and a Sale Participation Right of 20% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

During fiscal 2023, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of $23,759 to operations.

17) Star of the West, British Columbia

On October 28, 2022, the Company entered into an option agreement to acquire a 100% interest in the Star of the West project in British Columbia.

To earn a 100% interest in the project, the Company assigned the vendors a NSR of 2% with a $5,000,000 buy-down which can be exercised in stages and a Sale Participation Right of 30% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

During fiscal 2023, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of $86,917 to operations.

18) Vidette Lake Gold Project property, British Columbia

On May 23, 2020, the Company entered into an option agreement with Strata GeoData Services Ltd. to acquire a 100% interest in the Vidette Lake gold project in British Columbia.

During the year ending October 31, 2021, the Company paid $5,000 in cash; issued 10,000 common shares valued at $4,000 and incurred $59,195 of exploration expenditures. During the year ended October 31, 2022, the Company paid $10,000 in cash. To exercise the option, the Company was required to pay an additional $20,000 in cash, issue an additional 40,000 common shares of the Company, and expend an additional of $165,000 in exploration over the next 2 years.

(Unaudited - Expressed in Canadian Dollars)

During the year ended October 31, 2022, the Company decided not to proceed with the option agreement, consequently the costs of $88,195 were written off to operations.

19) 911 Knockout Project, British Columbia

On June 22, 2023, the Company entered into an option agreement to acquire a 100% interest in the 911 Knockout project in BC.

To earn a 100% interest in the project, the Company assigned the vendors a NSR of 2% with a $2,000,000 buy-down and a Sale Participation Right of 20% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years. During fiscal 2023, the Company decided not to proceed with this property and recorded an impairment to charge exploration and evaluation costs of $7,936 to operations.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel of the Company are Directors, Chief Executive Officer, former Chief Financial Officer, and Corporate Secretary.

The Company had the following transactions in the normal course of operations with related parties during the three months ended January 31, 2024 and 2023:

	2024	2023
	$	$
Management fees	28,000	6,000
Share-based compensation to Management & Directors	2,685	-
	30,685	6,000

The Company incurred $28,000 (2023 - $6,000) in management fees including the following: $14,000 (2023 - $Nil) for the CEO and $14,000 for the former CFO (2023 - $6,000 to the former CFO).

Accounts payable and accrued liabilities include $125,186 (October 31, 2023 - $123,686) due to current and former officers and directors and a company controlled by a current officer. These amounts are unsecured, non- interest bearing and have no fixed terms of repayment.

8. SHARE CAPITAL

Authorized share capital

As of January 31, 2024, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

Issued share capital:

During the year ended October 31, 2023, the Company consolidated its share capital on a ten (10) old for one (1) new basis. All share, option, warrant and per share amounts have been retroactively restated to reflect this consolidation.

As at January 31, 2024, the Company had 31,404,257 (October 31, 2023 - 25,243,087) common shares issued and outstanding.

Share issuances:

For the three months ended January 31, 2024, the Company completed the following transactions:

(i) 4,861,170 shares issued in settlement of exploration costs valued at $101,184 (including settlement of accounts payable at October 31, 2023), including 1,500,000 shares issued at a value of $30,000 pursuant to the option for the acquisition of the Vigh Graphite project (Note 6);
(ii) 1,300,000 shares valued at $28,000 issued in settlement of management fees charged by the CEO and former CFO of the Company.

For the three months ended January 31, 2023, the Company completed the following transactions:

(i) On December 9, 2022, the Company issued 1,500,000 common shares valued at $225,000 pursuant to the option to acquire the Caycuse property (Note 6).
(ii) On December 9, 2022, the Company issued 700,000 common shares valued at $105,000 pursuant to the option to acquire the Grey Copper / Jonathan's Creek properties (Note 6).

9. SHARE-BASED PAYMENTS

The Company adopted an equity incentive plan (the "Plan") to govern the grant, administration and exercise of Security Based Compensation which may be granted to eligible Participant.

The Plan adopted January 17, 2024, allows for a "rolling up to 10% and fixed up to 10%" security-based compensation plan. Under the Plan, the maximum number of Options issuable will be 10% of the number of Shares outstanding as at the date of any Option grant. As at January 31, 2024, the Company had 31,404,027 common shares issued and could issue up to 3,140,402 stock options at that time. The maximum number of Performance Share Units ("PSUs") is fixed at 10% of the number of Shares of the Company outstanding as at the date of implementation of the Plan, which is 2,638,521 Awards. The PSUs have a Performance Multiplier up to ten times and a term of three years from issuance, and the stock options have a strike price of $0.50 and term of five years from issuance as detailed below.

(Unaudited - Expressed in Canadian Dollars)

a) Options

The following table summarizes the Company's stock options outstanding at January 31, 2024 and the changes for the three month period then ended.

	Number of options	**Weighted average exercise price ($ per share)**	**Weighted average remaining life (years)**
Balance - October 31, 2023	1,619,630	0.50	4.37
Balance - January 31, 2024	1,619,630	0.50	4.12
Exercisable - January 31, 2024	1,619,630	0.50	4.12

The balance of options outstanding at January 31, 2024 is as follows:

Expiry date	**Exercise price $**	**Number of options outstanding**	**Number of options exercisable**
February 15, 2027	0.50	100,000	100,000
April 5, 2027	0.50	100,000	100,000
August 26, 2027	0.50	100,000	100,000
November 1, 2027	0.50	119,630	119,630
June 6, 2028	0.50	600,000	600,000
June 23, 2028	0.50	600,000	600,000
		1,619,630	1,619,630

The fair value of the options granted during the period ended January 31, 2023 was determined using the Black-Scholes option pricing model using the following inputs:

Grant date	**Risk-free interest rate**	**Expected Life**	**Volatility**	**Dividend yield**
November 1, 2022	4.17%	5 years	261%	0%

(Unaudited - Expressed in Canadian Dollars)

b) Performance Share Units

The following table summarizes the Company's PSUS outstanding at January 31, 2024 and the changes for the three month period then ended.

	Number of PSUs	**Weighted average remaining life (years)**
Balance - October 31, 2023	1,000,000	2.35
Balance - January 31, 2024	1,000,000	2.10

The balance of PSUs outstanding at January 31, 2024 is as follows:

Expiry date	**Performance Multiple**	**Number of PSUs outstanding**
November 2, 2025	Up to 10:1	100,000
November 4, 2025	Up to 10:1	100,000
November 29, 2025	Up to 10:1	300,000
June 22, 2026	Up to 10:1	500,000
		1,000,000

The total number of PSUs exercisable as of January 31, 2024 is 500,000 (October 31, 2023 – nil); all PSU take more than one year to vest for recipients and all PSU were issued after November 1, 2022. The fair value of the PSU granted are recorded at fair value based on the market price of the common shares on grant and recorded over the estimated vesting period of one year. The Performance Multiplier is set by the Board at the time of exercise of any PSU. The specific value for the multiplier reflects the recipient's performance at the time when the Board of Directors of the Company decides to exercise the PSU. The Performance Multiplier may be up to ten to one. The Company assumes the Performance Multiplier shall be one to one for the calculation of stock-based compensation.

During the three months ended January 31, 2024 the Company recognized share-based compensation of $9,034 (2023 - $71,870) of which $9,034 (2023 - $54,788) was with respect to vesting of PSUs and $nil (2023 - $17,082) was with respect to vesting of options.

10. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. The following table summarizes the Company's common share purchase warrants outstanding at January 31, 2024 and the changes for the three month period then ended.

(Unaudited - Expressed in Canadian Dollars)

	Number of warrants	**Weighted average exercise price ($ per share)**	**Weighted average remaining life (years)**
Balance - October 31, 2023	1,246,560	0.50	0.75
Balance - January 31, 2024	1,246,560	0.50	0.50

The balance of common share purchase warrants outstanding at January 31, 2024 is as follows:

Expiry date	**Type**	**Exercise price $**	**Number of warrants outstanding**
February 9, 2024	Private Placement	0.50	965,260
February 9, 2024	Finders' Warrants	0.50	16,000
May 9, 2026	Private Placement	0.50	257,300
May 9, 2026	Finders' Warrants	0.50	8,000
			1,246,560

Subsequent to October 31, 2023, warrants to acquire 981,260 common shares exercisable at $0.50 expired unexercised.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company has made the following designations of its financial instruments:

• Cash	Amortized cost
• Receivables	Amortized cost
• Advances payable	Amortized cost
• Accounts payable and accrued liabilities	Amortized cost

The fair value of the Company's cash, receivables and advances payable and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash balance. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash, and financial instruments included in amounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is addressed in Note 1. As at January 31, 2024, the Company had a cash balance of $7,051 (October 31, 2023 - $3,093) available to settle current liabilities of $319,184 (October 31, 2023 - $283,116). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company has cash balances held with financial institutions. The Company's current policy is to invest excess cash in short-term treasury bills issued by the Government of Canada and its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company conducts the majority of its business in Canada and is therefore not exposed to significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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. The Company defines capital that it manages as shareholders' equity (deficiency). The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. There is no certainty with respect to the Company's ability to raise capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

12. SEGMENTED INFORMATION

The Company operates in one segment, being the acquisition, exploration and evaluation of mineral properties in Canada (Note 6). At January 31, 2024 and October 31, 2023 all of the Company's active assets and liabilities were located in Canada with a minimal amount in the USA.

13. SUBSEQUENT EVENTS

a) Subsequent to January 31, 2024, the Company issued 7,325,045 common shares for $73,250 in settlement of charges pursuant to shares-for-services agreements with exploration services providers.

b) Subsequent to January 31, 2024, the Company issued 2,000,000 common shares for $20,000 pursuant to shares-for-services agreements with the CEO and former CFO.

c) On February 12, 2024, the Company entered into an option agreement to acquire a 100% interest in the Ogie Gold project comprised of mineral claims located in British Columbia. Pursuant to the option agreement, the Company must pay cash of $50,000 on or before the second anniversary and additional cash of $100,000 on or before the fourth anniversary of closing. The property is subject to a NSR of 1% subject to a $1,000,000 buy-down and a Sale Participation Right of 10% of gross proceeds received by the Company from any future sale of disposition of any interest in the property in the next ten years.

d) On February 16, 2024, the deal terms for the Eastgate BC property were changed. There are no share payments in this property purchase option agreement. The proposed consideration and method of payment are as follows: a net smelter return royalty equal to 1% one percent with buy-down of $1,000,000 to remove the royalty and a sales participation right equal to sixty percent (60%) with a term of ten years.