

Enerev5 Metals Inc.
FINANCIAL STATEMENTS

For the years ended May 31, 2024 and May 31, 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Enerev5 Metals Inc.

Opinion

We have audited the financial statements of Enerev5 Metals Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2024 and 2023, and the statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$380,256 during the year ended May 31, 2024 and, as of that date, the Company's current liabilities exceeded its total assets by \$513,571. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended May 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* 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's Discussion and Analysis.

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

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



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 Stephen McCourt.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
September 30, 2024
Toronto, Ontario

Enerev5 Metals Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	May 31 2024 \$	May 31 2023 \$
ASSETS		
Current		
Cash	976	1,764
Other receivables	23,022	34,674
Prepaid expenses	-	33,348
Total assets	23,998	69,786
LIABILITIES		
Current		
Trade and other payables (note 8)	394,308	145,215
Short-term loans (note 5)	143,261	94,889
Total current liabilities	537,569	240,104
Other liabilities (note 6)	164,336	164,336
Total liabilities	701,905	404,440
SHAREHOLDERS' DEFICIENCY		
Common shares, reserves and contributed surplus (note 7)	37,125,549	37,088,546
Deficit	(37,803,456)	(37,423,200)
Total shareholders' deficiency	(677,907)	(334,654)
Total liabilities and shareholders' deficiency	23,998	69,786

Nature of operations and going concern (note 1)
Contingencies (note 14)
Subsequent events (note 15)

Approved on behalf of the board:

(signed) "M. Cachia"
Director

(signed) "J O'Donnell"
Director and Chairman of the Board

The accompanying notes are an integral part of these Financial Statements.

Enerev5 Metals Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the years ended	
	May 31 2024	May 31 2023
	\$	\$
Expenses		
General and administrative (note 8 and 9)	302,658	415,331
Exploration and evaluation costs (note 3)	30,000	256,519
Depreciation	-	33,298
Share-based compensation (note 7)	37,003	55,641
Interest	10,595	5,077
Net loss and comprehensive loss for the year	380,256	765,866
Loss per share – basic and fully diluted	0.00	0.00
Weighted average shares outstanding – basic and fully diluted	241,082,718	234,709,715

The accompanying notes are an integral part of these Financial Statements.

Enerev5 Metals Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended May 31	2024	2023
	\$	\$
Operating activities		
Net loss for the year	(380,256)	(765,866)
Items not affecting cash:		
Depreciation	-	33,298
Share-based compensation	37,003	55,641
Interest	8,372	2,350
Exploration and evaluation costs	-	200,000
Net change in non-cash working capital balances related to operating activities:		
Other receivables	11,652	(12,936)
Prepaid expenses	33,348	(17,149)
Trade and other payables	249,093	66,115
Cash used in operating activities	(40,788)	(434,174)
Financing activities		
Issuance of units for cash	-	508,780
Share issuance costs	-	(69,383)
Short term loans	40,000	94,000
Short term loan repayment	-	(87,500)
Repayment of lease liabilities	-	(37,576)
Cash provided from financing activities	40,000	408,321
Net decrease in cash	(788)	(25,853)
Cash, beginning of the year	1,764	27,617
Cash, end of the year	976	1,764

The accompanying notes are an integral part of these Financial Statements.

Enerev5 Metals Inc.
Statements of Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital		Warrants	Share based compensation	Contributed surplus	Sub-total	Deficit	Total
	#	\$	\$	\$	\$	\$	\$	\$
Balance, May 31, 2022	225,907,118	29,128,772	704,775	646,306	5,913,655	36,393,508	(36,657,334)	(263,826)
Common shares issued for cash and warrants	10,175,600	285,923	222,857	-	-	508,780	-	508,780
Share issuance costs	-	(52,150)	(17,233)	-	-	(69,383)	-	(69,383)
Common shares issued for property acquisition	5,000,000	200,000	-	-	-	200,000	-	200,000
Expiry of warrants	-	-	(589,097)	-	589,097	-	-	-
Stock options expired	-	-	-	(382,986)	382,986	-	-	-
Share-based compensation	-	-	-	55,641	-	55,641	-	55,641
Net loss for the year	-	-	-	-	-	-	(765,866)	(765,866)
Balance, May 31, 2023	241,082,718	29,562,545	321,302	318,961	6,885,738	37,088,546	(37,423,200)	(334,654)
Expiry of warrants	-	-	(40,245)	-	40,245	-	-	-
Stock options expired	-	-	-	(243,047)	243,047	-	-	-
Share-based compensation	-	-	-	37,003	-	37,003	-	37,003
Net loss for the year	-	-	-	-	-	-	(380,256)	(380,256)
Balance, May 31, 2024	241,082,718	29,562,545	281,057	112,917	7,169,030	37,1125,549	(37,803,456)	(677,907)

The accompanying notes are an integral part of these Financial Statements

Enerev5 Metals Inc.

Notes to the Financial Statements

May 31, 2024

(Expressed in Canadian dollars)

1. Nature of operations and going concern uncertainty

Enerev5 Metals Inc., (“Enerev5” or the “Company”), was incorporated under the laws of the Province of Ontario. The Company’s shares are listed on the TSX Venture Exchange. The registered head office of the Company is located at 133 Richmond Street West, Suite 204, Toronto, Ontario, M5H 2L3.

The annual financial statements for the year ended May 31, 2024 were approved and authorized for issue by the board of directors on September 30, 2024.

As at May 31, 2024, the Company has a working capital deficit of \$513,571 (May 31, 2023 – deficiency \$170,318) and an accumulated deficit of \$37,803,456 (May 31, 2023 - \$37,423,200). The ability of the Company to continue as a going concern is dependent on obtaining the necessary financing to fund future efforts. It is not possible to determine with any certainty, the adequacy of these initiatives, and therefore conditions indicate the existence of material uncertainties that may cast significant doubt in the Company’s ability to continue as a going concern.

The annual financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary and such adjustments could be material if the Company is unable to continue as a going concern.

Where applicable, the Company takes steps to verify title to the properties in which it may have an interest in accordance with industry standards for the current stage of exploration and development of such properties, and such procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

2. Material accounting policies and basis of presentation

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) effective for the Company’s reporting years ended May 31, 2024, and 2023.

New and amended accounting standards

On June 1, 2023, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included the following:

IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgments - Disclosure of Accounting Policies.

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information."

IAS 1 – Presentation of Financial Statements (“IAS 1”)

IAS 1 was amended in January 2020 to specify the requirements for classifying liabilities as current or noncurrent.

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Notes to the Financial Statements

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(Expressed in Canadian dollars)

IAS 8 – Accounting policies, changes in accounting estimates and errors (“IAS 8”)

IAS 8 was amended to modify the ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments introduce a definition of “accounting estimates” and confirm that a change in an accounting estimate that results from new information or new developments is not the correction of an error, while also helping entities distinguish a change in an accounting estimate from a change in accounting policy.

IAS 12 – Income taxes (“IAS 12”)

‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations.

These new standards and changes did not have any material impact on the Company’s financial statements.

Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after June 1, 2024, or later periods. The changes are not applicable to, or do not have a significant impact on the Company and have therefore been excluded.

The accounting policies applied in preparing the annual financial statements for the years ended May 31, 2024, and May 31, 2023, are set out below.

Basis of preparation

The financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at their fair values, as explained in the relevant accounting policies.

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

Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from those estimates.

Significant estimates and judgements used in the preparation of these financial statements included, but are not limited to, valuation of warrants and stock options, the recognition of deferred income taxes, other liabilities and the assessment of going concern. Actual results could differ from management’s best estimates.

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation costs

All costs related to the exploration and evaluation of mineral resources are expensed (net of grants received) as exploration and evaluation costs. The policy is to expense all such expenditures until they are proven commercially viable and technically feasible. Once a project has been established as commercially viable and technically feasible, all development costs will be capitalized. If the project is brought into production, these costs will be amortized against the income generated from the property.

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(Expressed in Canadian dollars)

Reclamation 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 project interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive.

Restoration and rehabilitation costs are discounted to their net present value at the start of each project 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.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in resource properties once a project has been established as commercially viable and technically feasible. 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 under IFRS.

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 policy is to expense all reclamation obligations that relate to projects that have yet to be proven commercially viable and technically feasible.

The Company has no material restoration, rehabilitation, and environmental costs.

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, using the Black-Scholes model. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 7.

The fair value is measured at grant date and each tranche is recognized over the period in which the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to stock options and restricted stock units.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Valuation of equity instruments in private placements

The proceeds from the issuance of units are allocated between share capital and reserve for warrants. The Company has adopted a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. When the warrants are exercised, the applicable amounts of reserve for warrants are transferred to share capital along with any consideration paid. For those warrants that expire after vesting, the recorded value is transferred to contributed surplus.

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May 31, 2024

(Expressed in Canadian dollars)

Loss per share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options, warrants and RSUs, in the weighted average number of common shares outstanding during the period, if dilutive.

Share issuance costs

Professional, consulting, regulatory fees and other costs that are directly attributable to the issuance of shares are charged to capital stock when the related shares are issued, net of any tax effects. Transaction costs of abandoned equity transactions are recognized in the statement of comprehensive loss.

Leases

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions:

1. the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months at the inception of the lease, or
2. for leases of low value.

The payments for such leases are recognized in profit or loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are recorded as a long term asset, and the lease liability is presented as a separate line in the statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU") for impairment purposes. Impairment exists when the carrying amount of the asset, or group of assets, exceeds its

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recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

Financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized costs or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets include cash which are classified as amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include trade and other payables, short-term loans, and accrued and other liabilities and are initially measured at fair value and subsequently are classified as amortized cost.

Foreign currency translation

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate. All foreign currency adjustments are expensed, apart from adjustments on borrowing in foreign currencies, constituting a hedge for the net investment in a foreign entity. These adjustments are allocated directly to equity until the divestiture of the net investment.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, and adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable loss.

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

Provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the

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liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The Company had no material provisions as at May 31, 2024, or May 31, 2023.

3. Exploration and evaluation costs

Exploration and evaluation costs have been expensed as incurred, the cumulative expenditures are as follows:

	\$
Balance, May 31, 2022	-
Barbara Bay, acquisition costs	285,432
Goals Met, acquisition costs	19,837
Adjustments during the year ended May 31, 2023	(48,750)
Balance, May 31, 2023	256,519
Goals Met, exploration costs	30,000
Balance, May 31, 2024	286,519

Barbara Bay

On October 31, 2022, the Company acquired through staking by arm's length stakers, 447 mining claims comprising approximately 24,000 ha in the Province of Quebec. The Company paid \$2,000 for staking costs and \$30,731 in government claims costs. On December 5, 2022, the Company completed the acquisition of an additional 171 mining claims, comprising approximately 9,234 hectares in the Province of Quebec, for a total consideration of 5,000,000 common shares of the Company (the "Consideration Shares"). The Consideration Shares are fully paid and non-assessable shares of the Company. The Consideration Shares are subject to escrow provisions requiring the shares to be released from escrow, 50% on closing of this agreement, subject to a four month hold period, and a further 50% six months from the date of closing. The Company has reimbursed the Vendors for their government staking fees of \$11,756. The project now comprises about 33,200 hectares of contiguous claims. Enerev5 is in the process of completing the acquisition by transferring title of the claims to the Company.

Goals Met

The Goals Met claims were acquired through the staking of 135 mining claims comprising approximately 7,290 hectares in the Province of Quebec using arm's length stakers. The Company paid \$1,000 for staking costs and \$9,281 in government claims costs. Enerev5 is in the process of completing the acquisition by transferring title of the claims to the Company.

4. Right-of-use asset and lease liability

The Company had a lease for its office premises until April 30, 2023. The associated lease liability and right-of-use asset information is summarized below.

	For the year ending May 31, 2024	For the year ending May 31, 2023
	\$	\$
Right-of-use asset		
Balance, beginning of year	-	31,850
Less depreciation	-	(31,850)
Balance, end of year	-	-

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(Expressed in Canadian dollars)

Lease liability		
Balance, beginning of year	-	36,115
Lease payments	-	(37,576)
Finance expenses	-	1,461
Balance, end of year	-	-

5. Short term loans

On December 9, 2021, the Company entered into an unsecured loan agreement for an amount of \$87,500 for a period of one year. Interest of 10% per annum is payable on the loan in arrears. The loan may be repaid in part or in full at any time without penalty to the Company. The discount on issuance of the short-term loan totaling \$8,134 has been offset against the carrying amount of the short-term loan and is being amortized to net loss using the effective interest method, resulting in an effective interest rate of 10%. On November 11, 2022, the loan plus outstanding interest was fully paid. The loan was measured at amortized cost using a discount rate of 10%.

On March 3, 2023 and May 23, 2023, the Company received advances of \$60,000 and \$34,000 respectively. On September 26, 2023, and April 17 and May 3, 2024, the Company received loan advances of \$28,000, \$2,000 and \$10,000 respectively. Interest, at a rate of 7.2%, is accruing, resulting in interest costs of \$889 in 2023 and \$8,372 in 2024.

	\$
Principal amount of loan issued on December 10, 2021	87,500
Initial discount	(8,134)
Value allocated to debt on issue date	79,366
Accretion of discount	8,134
Less payment	(87,500)
Loan advances	94,000
Accrued interest	889
Balance as at May 31, 2023	94,889
Loan advances	40,000
Accrued interest	8,372
Balance, May 31, 2024	143,261

6. Other liabilities

As at May 31, 2024, the Company had other liabilities of \$164,336 (May 31, 2023 - \$164,336), relating to the transfer of \$164,336 of accounts payable (the "Statute-barred Claims") to other liabilities on the basis that any claims in respect of the Statute-barred Claims were statute-barred under the Limitations Act (Ontario). The Statute-barred Claims related to third party liabilities incurred by prior management of the Company prior to August 2018. However, for accounting purposes under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation, but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as other liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment. While inclusion of these items is intended solely to comply with the requirements of IFRS, the Company in no way acknowledges any of the Statute-barred Claims.

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Notes to the Financial Statements

May 31, 2024

(Expressed in Canadian dollars)

7. Shareholders' equity

The authorized share capital of the Company is unlimited shares without par value.

Share capital

Share capital comprises the following:

	Number of shares	Amount \$
Balance, May 31, 2022	225,907,118	29,128,772
Common shares issued for cash	10,175,600	285,923
Share issuance costs	-	(52,150)
Common shares issued for exploration and evaluation property	5,000,000	200,000
Balance, May 31, 2023 and May 31, 2024	241,082,718	29,562,545

On July 5, 2022, the Company issued 725,600 units at a price of \$0.05 pursuant to a brokered private placement for gross proceeds of \$36,280. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 for a period of two years. In connection with the private placement, the Company paid agent's commission of \$3,265 and issued 72,560 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one unit of the Company, having the same terms as the units issued to subscribers, at a price of \$0.05. Cash share issuance costs of \$3,265 were incurred. A fair value of \$10,465 and \$571 was allocated to the warrants and broker warrants respectively using the relative fair value method. The Black-Scholes pricing model was used with the following assumptions: share price - \$0.015, expected life - 2 years, risk free interest rate - 3.19%, volatility - 149.59% and expected dividend - nil.

On August 4, 2022, the Company issued 1,600,000 units at a price of \$0.05 pursuant to a brokered private placement for gross proceeds of \$80,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 for a period of two years. In connection with the private placement, the Company paid agent's commission of \$7,200 and issued 160,000 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one unit of the Company, having the same terms as the units issued to subscribers, at a price of \$0.05. Cash share issuance costs of \$7,200 were incurred. A fair value of \$25,187 and \$1,373 was allocated to the warrants and broker warrants respectively using the relative fair value method. The Black-Scholes pricing model was used with the following assumptions: share price - \$0.015, expected life - 2 years, risk free interest rate - 3.14%, volatility - 159.43% and expected dividend - nil.

On September 23, 2022, the Company issued 2,100,000 units at a price of \$0.05 pursuant to a brokered private placement for gross proceeds of \$105,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.05 for a period of five years. In connection with the private placement, the Company paid agent's commission of \$9,450, and issued 210,000 non-transferable broker warrants, having the same terms as the units issued to subscribers, at a price of \$0.05. A fair value of \$50,162 and \$3,842 was allocated to the warrants and broker warrants respectively using the relative fair value method. The Black-Scholes pricing model was used with the following assumptions: share price - \$0.02, expected life - 5 years, risk free interest rate - 3.38%, volatility - 168.54% and expected dividend - nil.

On November 10, 2022, the Company issued 3,750,000 units at a price of \$0.05 pursuant to a brokered private placement for gross proceeds of \$187,500. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.05 for a period of five years. In connection with the private

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placement, the Company paid agent's commission of \$16,875, and issued 375,000 non-transferable broker warrants, having the same terms as the units issued to subscribers, at a price of \$0.05. A fair value of \$88,690 and \$6,732 was allocated to the warrants and broker warrants respectively using the relative fair value method. The Black-Scholes pricing model was used with the following assumptions: share price - \$0.02, expected life - 5 years, risk free interest rate - 3.43%, volatility - 161.11% and expected dividend - nil.

On December 5, 2022, the Company completed the acquisition of an additional 171 mining claims, comprising approximately 9,234 hectares in the Province of Quebec, for a total consideration of 5,000,000 common shares of the Company (the "Consideration Shares"). The Consideration Shares are fully paid and non-assessable shares of the Company issued at a price of \$0.04 per share, being the closing share price on the date of issuance. The Consideration Shares are subject to escrow provisions requiring the shares to be released from escrow, 50% on closing of this agreement, subject to a four month hold period, and a further 50% six months from the date of closing. The Company has reimbursed the Vendors for their government staking fees of \$11,688 plus staking costs of \$1,000 for a total of \$12,688.

On December 19, 2022, the Company issued 2,000,000 units at a price of \$0.05 pursuant to a brokered private placement for gross proceeds of \$100,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.05 for a period of five years. In connection with the private placement, the Company paid agent's commission of \$9,000 and issued 200,000 non-transferable broker warrants. Each broker warrant entitles the holder to acquire one unit of the Company, having the same terms as the units issued to subscribers, at a price of \$0.05. A fair value of \$48,353 and \$12,288 was allocated to the warrants and broker warrants respectively using the relative fair value method. The Black-Scholes pricing model was used with the following assumptions: share price - \$0.035, expected life - 5 years, risk free interest rate - 3.11%, volatility - 169.74% and expected dividend - nil.

Warrants

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

	Warrants #	Weighted average exercise price \$
Balance, May 31, 2022	51,722,602	0.19
Issued - private placements	10,175,600	0.05
Broker units*	1,017,560	0.05
Expired	(44,659,902)	0.20
Balance, May 31, 2023	18,255,860	0.10
Expired	(4,896,033)	0.10
Balance, May 31, 2024	13,359,827	0.08
Broker warrants *	1,017,560	0.06
Balance, May 31, 2023 and May 31, 2024	1,017,560	0.06

* Upon exercise of the broker unit, an additional warrant will be issued for each unit exercised.

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The composition of the outstanding warrants as at May 31, 2024 consists of the following:

	Expiry date	Number	Exercise Price
Warrants	July 5, 2024	725,600	\$0.10
Warrants – Broker units*	July 5, 2024	72,560	\$0.10
Warrants	August 5, 2024	1,600,000	\$0.10
Warrants – Broker units*	August 5, 2024	160,000	\$0.10
Warrants	September 2, 2024	2,166,667	\$0.20
Warrants	September 23, 2027	2,100,000	\$0.05
Warrants – Broker units*	September 23, 2027	210,000	\$0.05
Warrants	November 9, 2027	3,750,000	\$0.05
Warrants – Broker units*	November 9, 2027	375,000	\$0.05
Warrants	December 19, 2027	2,000,000	\$0.05
Warrants – Broker units*	December 19, 2027	200,000	\$0.05
		13,359,827	
Warrants – Broker warrants *	July 5, 2024	72,560	\$0.10
Warrants – Broker warrants *	August 5, 2024	160,000	\$0.10
Warrants – Broker warrants *	September 23, 2027	210,000	\$0.05
Warrants – Broker warrants *	November 9, 2027	375,000	\$0.05
Warrants – Broker warrants *	December 19, 2027	200,000	\$0.05
		1,017,560	

* Upon exercise of the broker unit, an additional warrant will be issued for each unit exercised

On July 5, 2024, 725,600 warrants and 72,560 broker warrants expired unexercised.

On August 5, 2024, 1,600,000 and 160,000 broker warrants expired unexercised.

On September 2, 2024, 2,166,667 warrants expired unexercised.

Stock options

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of shares of the Company’s share capital issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares.

Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company’s shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted by TSX Venture Exchange Policy) or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. All options granted under the Plan options vest 25% on the date of grant, and 25% each on the 6, 12, and 24-month anniversaries of the grant. Options issued or granted to Investor Relations Participants must vest in stages over at least 12 months with no more than 25% of the Options vesting in any three-month period as determined by the Board.

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The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price \$
Outstanding, May 31, 2022	11,700,000	0.066
Granted	4,500,000	0.050
Cancelled	(6,700,000)	0.065
Balance, May 31, 2023	9,500,000	0.059
Expired	4,300,000	0.068
Balance, May 31, 2024	5,200,000	0.051
Exercisable, May 31, 2024	4,075,000	0.041

On November 9, 2021, the Company granted 200,000 stock options at an exercise price of \$0.05 exercisable for a period of 5 years. The options vest 25% on the date of grant, and 25% each on the 6, 12, and 24-month anniversaries of the grant. The fair value of the options was estimated to be \$9,051 using the Black-Scholes option pricing model with the following weighted average assumptions: share price - \$0.05, dividend yield - 0%; expected volatility - 147.9%; risk-free interest rate - 1.4%; and an expected life - 5 years.

On December 20, 2021, the Company granted 700,000 stock options at an exercise price of \$0.05 exercisable for a period of 5 years. The options vest 25% on the date of grant, and 25% each on the 6, 12, and 24-month anniversaries of the grant. The fair value of the options was estimated to be \$18,418 using the Black-Scholes option pricing model with the following weighted average assumptions: share price - \$0.03, dividend yield - 0%; expected volatility - 147.6%; risk-free interest rate - 0.41%; and an expected life - 5 years.

On February 9, 2023, the Company granted 4,500,000 stock options at an exercise price of \$0.05 exercisable for a period of 5 years. The options vest 25% on the date of grant, and 25% each on the 6, 12, and 24-month anniversaries of the grant. The fair value of the options was estimated to be \$89,268 using the Black-Scholes option pricing model with the following weighted average assumptions: share price - \$0.02, dividend yield - 0%; expected volatility - 248%; risk-free interest rate - 3.2%; and an expected life - 5 years.

Reserves for stock options are transferred to contributed surplus upon expiry of the stock options.

On August 31, 2023, 2,500,000 stock options expired unexercised and on October 15, 2023 1,800,000 stock options expired unexercised.

8. Related party transactions

Compensation of key management and directors

Key management compensation expense includes the Chief Executive Officer, and the Chief Financial Officer.

For the year ended May 31	2024 \$	2023 \$
Management fees to CEO and CFO	150,000	107,500
Management fees to former CEO	-	80,000
Accounting fees to a former officer	-	40,000
Directors' fees paid or accrued	49,500	67,500
	199,500	295,000

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Included in accounts payable and accrued liabilities are amounts due to related parties. The total amount due to related parties as of May 31, 2024, was \$297,950 (May 31, 2023 - \$109,375).

During the year ended May 31, 2023 the Company granted 4,500,000 stock options to officers and directors. Share-based compensation of \$35,521 related to directors and officers was incurred in the year months ended May 31, 2024 (2023 - \$55,641).

On March 3, 2023 and May 23, 2023, the Company received advances of \$60,000 and \$34,000 respectively from a shareholder. On September 26, 2023, April 17, 2024 and May 3, 2024, the Company received advances of \$28,000, \$2,000 and \$10,000 from shareholders.

9. General and administrative expenses

	For the year ended May 31	
	2024	2023
	\$	\$
Consulting, management and directors' fees	199,500	295,000
Professional fees (legal & audit)	36,490	33,100
Office and general	49,168	55,557
Marketing	17,500	-
Rent	-	31,674
	302,658	415,331

10. Capital management

The Company manages its capital structure and makes adjustments to it based on the funds required and available to the Company, in order to support the acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for this management, but rather relies on the expertise of the Company's management to sustain future development of the business. In this relatively formative stage of the Company's existence, the Company will rely on a combination of equity instruments and debt financing.

The Company considers its capital to be shareholders' equity (deficiency), which comprises capital stock, reserve for warrants, reserve for stock options, contributed surplus and deficit, which as at May 31, 2024, was a deficiency of \$677,907 (May 31, 2023 – deficiency of \$334,654).

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, or the year ended May 31, 2023. The Company is not subject to externally imposed capital requirements.

11. Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash, trade and other payables and short-term loans approximates fair value due to the short-term nature of these financial instruments.

As of May 31, 2024, except for cash, none of the Company's financial instruments are recorded at fair value in the statements of financial position. Cash is classified as level 1 fair value.

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b) Risk management

The Company manages its exposure to a number of different financial risks arising from operations as well as from the use of financial instruments including market risks (commodity prices), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and short-term investments. As at May 31, 2024, the Company has \$976 in cash and current liabilities of \$537,569. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Foreign currency risk

The Company's functional currency is the Canadian Dollar. There were minimal operational expenses and expenditures incurred by the Company in US Dollars.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Interest rate risk

Cash flow interest rate risk is the risk that future cash flow of financial instruments will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk.

12. Loss per share

For the year ended May 31, 2024, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$380,256 (year ended May 31, 2023 - \$765,866) and the weighted average number of common shares outstanding of 241,082,718 (year ended May 31, 2023 - 234,709,715). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

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13. Income taxes

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the statements of income (loss) and comprehensive income (loss) is provided below:

	May 31 2024	May 31 2023
	\$	\$
Loss before income taxes	(380,256)	(765,866)
Expected income tax benefit based on statutory rate	(100,768)	(202,954)
Stock-based compensation and other non-deductible expenses	9,806	15,026
Share issuance costs and other	-	6,924
Change in deferred tax assets not recognized	90,962	181,004
Income tax expense (recovery)	-	-

The components of the Company's deferred income tax assets are as follows:

	May 31 2024	May 31 2023
	\$	\$
Non-capital losses	3,256,414	3,240,011
Share issuance costs	31,465	57,072
Exploration expenditures	1,996,287	1,930,995
General reserve	7,196	-
Scientific research and experimental development expenditures	282,813	382,059
Scientific research and experimental development expenditures – unclaimed pool	352,275	-
Net deferred tax assets	5,924,451	5,610,136
Deferred tax assets not recognized	(5,924,451)	(5,610,136)
Net deferred tax assets	-	-

At May 31, 2024, the Company has non-capital losses for income tax purposes of \$12,288,354 to offset future taxable income. If not utilized, the non-capital losses will expire as follows:

	\$
2026	254,683
2027	767,229
2028	614,394
2029	629,647
2030	496,833
2031	712,775
2032	552,681
2033	388,716
2034	243,257
2035	434,346
2036	412,658
2037	226,250
2038	1,803,907
2039	1,489,367
2040	1,160,367

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2041	654,146
2042	573,614
2043	490,755
2044	382,729
	<u>12,288,354</u>

14. Contingencies

As announced on April 28, 2021, the Company received correspondence on behalf of a former independent contractor claiming entitlement to payment of alleged outstanding “salary” and expenses of US\$329,000, 300,000 common shares of the Company, and payment in respect of the termination of services. The Company considers the claims to be without merit. No amounts have been recognized in the financial statements related to this matter.

On April 23, 2024, a director of the Company was served with a statement of claim on behalf of the Company. TIAfrica Ltd. (“TIAfrica”), a company based in the Democratic Republic of Congo, claims that on or about the 16th of January, 2019, it signed a Letter of Intent (“LOI”) with the Company, enforceable and binding under which: (a) in exchange for the purchase of 4,333,333 shares of the Company by TIAfrica, the Company would build a hydroxide plant and would hire TIAfrica to hire staff and to take care of everything related to human and administrative resources; and (b) the Company would hire the plaintiff for all its needs in human resources and administrative services on any other mining site where it would be involved on the African continent. The statement of claim claims a sum in Canadian dollars equal to US\$500,000 in compensatory damages, under contract or tort, an additional sum of CAD\$300,000 for loss of business opportunities, interest, and costs. TIAfrica alleges that the Company breached its contractual obligations by not building the plant and not hiring it for this project. TIAfrica further alleges that the Company also failed in its duty to perform in good faith in contractual relations and did not use its discretion, where applicable, in a manner consistent with good faith, and further that the representatives of the Company made negligent, false or misleading representations by explaining to the plaintiff that the establishment of a factory was imminent when it was not, and that this induced TIAfrica to enter into the LOI and incur expenses by relying on these representations, to its detriment. Management’s assessment is that the claim is without merit. Management will consider whether the Company has a legal remedy for any damages which it may sustain as a result of this claim and, if so, intends to counterclaim.

15. Subsequent events

On August 20, 2024 and September 5, 2024, the Company received \$25,000 and \$19,000 respectively from a shareholder. The loans currently have no interest and no fixed terms of repayment.