FIREWEED METALS CORP.

(Unaudited - Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

September 30, 2024 and 2023

FIREWEED METALS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)
As at

	Note(s)	September 30, 2024 $	December 31, 2023 $
Assets			
Current assets:			
Cash and cash equivalents		29,502,775	19,224,378
Receivables		1,426,893	283,021
Prepaid expenses		637,943	358,078
		31,567,611	19,865,477
Equipment and right of use assets	5	1,787,057	2,194,203
Reclamation bond		39,596	39,596
Exploration and evaluation assets	4	17,471,739	17,361,564
		50,866,003	39,460,840
Current liabilities:			
Accounts payable and accrued liabilities	6,12	4,496,362	2,229,756
Lease liability, short-term	7	262,687	442,621
Purchase obligation	4	3,500,000	3,182,204
Short-term loan payable	8	-	40,000
		8,259,049	5,894,581
Flow-through premium liability	9	1,803,979	103,871
Lease liability, long-term	7	167,247	314,276
Rehabilitation provisions	10	704,205	589,088
		10,934,480	6,901,816
Shareholders' equity:			
Capital stock	11	143,997,207	108,033,387
Options reserve	11	5,764,251	4,831,622
Warrants reserve	11	183,253	183,253
Deficit		(110,013,188)	(80,489,238)
		39,931,523	32,559,024
		50,866,003	39,460,840

Nature of operations and going concern (Note 1)
Commitments (Note 14)
Subsequent event (Note 15)

On behalf of the Board:

"Peter Hemstead" Director, CEO and President *"Marcus Chalk"* Director

FIREWEED METALS CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)
For the three months and nine months ended

		Three months ended		Nine months ended	
	Note(s)	September 30, 2024 $	September 30, 2023 $	September 30, 2024 $	September 30, 2023 $
Expenses					
Consulting and management	12	453,740	492,763	1,879,504	1,476,817
Depreciation	5	160,516	188,433	489,226	284,057
Exploration and evaluation	4	21,242,231	19,480,017	31,632,517	26,414,464
General & administrative	12	672,726	480,372	1,606,422	1,185,551
Investor relations and corporate development	12	352,134	382,352	973,608	888,816
Interest expense	7	15,151	44,467	55,259	48,557
Property investigation		-	-	-	452,302
Share-based compensation	11,12	(65,140)	847,905	1,738,317	1,472,494
		22,831,358	21,916,309	38,374,853	32,223,058
Other Expenses (Income)					
Accretion on rehabilitation provision	10	6,333	2,740	19,000	8,220
Amortization of flow-through liability	9	(7,032,187)	(3,120,001)	(8,413,859)	(4,847,883)
Part XII.6 Tax		-	-	193,307	-
Finance expense on purchase obligation	4	133,850	-	317,796	-
Foreign exchange		(29,755)	741	(8,331)	9,132
Interest income		(457,086)	(364,279)	(948,816)	(1,247,378)
Gain on debt	8	-	-	(10,000)	-
Loss and comprehensive loss for the period		**15,452,513**	**18,435,510**	**29,523,950**	**26,145,149**
Loss per share – basic and diluted		0.09	0.13	0.19	0.19
Weighted average number of common shares outstanding – basic and diluted		180,261,426	138,527,408	159,527,836	136,372,181

(Unaudited - expressed in Canadian Dollars)

	September 30, 2024 $	September 30, 2023 $
OPERATING ACTIVITIES		
Loss for the period	(29,523,950)	(26,145,149)
Adjustment for items not affecting cash:		
Amortization of flow-through liability	(8,413,859)	(4,847,883)
Accretion on rehabilitation provision	19,000	8,220
Depreciation	489,226	284,057
Finance expense on purchase obligation	317,796	-
Gain on debt settlement	(10,000)	-
Share-based compensation	1,738,317	1,472,494
Interest on lease obligations	55,259	47,941
Change in non-cash working capital items:		
Receivables	(1,143,872)	(840,111)
Prepaid expenses	(279,865)	(946,743)
Accounts payable and accrued liabilities	2,266,606	4,881,716
	(34,485,342)	**(26,085,458)**
INVESTING ACTIVITIES		
Acquisition of equipment	(82,080)	(872,610)
Exploration and evaluation assets	(14,058)	(904)
	(96,138)	**(873,514)**
FINANCING ACTIVITIES		
Proceeds from share issuance	43,076,296	16,800,000
Repayment of CEBA loan	(30,000)	-
Share issue costs	(740,510)	(242,588)
Proceeds from warrants exercised	1,712,801	519,546
Proceeds from options exercised	1,223,512	26,540
Lease payments	(382,222)	(254,814)
	44,859,877	**16,848,684**
Increase (decrease) in cash	10,278,397	(10,110,288)
Cash and cash equivalents, beginning of the period	**19,224,378**	**39,885,979**
Cash and cash equivalents, end of the period	**29,502,775**	**29,775,691**
Cash	2,320,964	39,985,979
Cash equivalents	27,181,811	**-**
	29,502,775	**39,985,979**
Supplemental disclosures with respect to cash flows:		
Non-cash investing and financing activities:		
Share issuance costs allocated to flow-through premium	266,990	35,817
Fair value of exercised options	685,688	79,654
Fair value of exercised finders' warrants	-	103,363
Flow through premium liability	10,380,957	3,325,000
Fair value of finders warrants	-	21,012
Change in ARO estimate	-	87,096
Acquisition of equipment included in accounts payable	-	461,458
Right of use assets recognized	-	1,066,411

(Unaudited - expressed in Canadian Dollars)

	Note	Shares #	Capital Stock Amount $	Warrants reserve $	Options reserve $	Deficit $	Total $
Balance at December 31, 2022		**135,191,999**	**93,379,425**	**351,145**	**2,655,682**	**(47,225,187)**	**49,161,065**
Shares issued in private placement	11	8,750,000	16,800,000	-	-	-	16,800,000
Flow-through premium		-	(3,325,000)	-	-	-	(3,325,000)
Share issuance costs	11	-	(115,327)	21,012	-	-	(94,315)
Share-based compensation	11	-	-	-	2,292,262	-	2,292,262
Options exercised	11	199,522	210,662	-	(116,322)	-	94,340
Warrants exercised	11	1,304,279	1,083,627	(188,904)	-	-	894,723
Loss for the period		-	-	-	-	(33,264,051)	(33,264,051)
Balance at December 31, 2023		**145,445,800**	**108,033,387**	**183,253**	**4,831,622**	**(80,489,238)**	**32,559,024**
Share-based compensation	11	1,200,000	120,000	-	1,618,317	-	1,738,317
Shares issued in private placement	11	12,985,586	14,284,145	-	-	-	14,284,145
Flow-through shares issued in private placement	11	909,090	999,999	-	-	-	999,999
Charity shares issued in private placement	11	15,828,359	17,411,195	-	-	-	17,411,195
Share issuance costs	11	-	(473,520)	-	-	-	(473,520)
Options exercised	11	1,592,600	1,909,200	-	(685,688)	-	1,223,512
Warrants exercised	11	2,854,669	1,712,801	-	-	-	1,712,801
Loss for the period		-	-	-	-	(29,523,950)	(29,523,950)
Balance at September, 2024		**180,816,104**	**143,997,207**	**183,253**	**5,764,251**	**(110,013,188)**	**39,931,523**

1. Nature of Operations and Going Concern

Fireweed Metals Corp. (the "Company") was incorporated under the Business Corporations Act of the Yukon in Canada on October 20, 2015. The Company is a mineral exploration and development company and is engaged in the acquisition and exploration of mineral assets. At September 30, 2024, the Company had three projects in northern Canada, the Macmillan Pass Project (Yukon), the Mactung Project (Yukon/North West Territories) and the Gayna River Zinc Project (North West Territories). The Company is listed on the TSX Venture Exchange and on the OTCQX under the symbol "FWZ" and "FWEDF", respectively.

The Company's head office and principal address is Suite 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, Canada, V7X 1L2. The registered and records office is 3081 3rd Avenue, Whitehorse, Yukon, Canada Y1A 4Z7.

Going Concern

These condensed interim consolidated financial statements (the "Interim Financial Statements") for the three and nine months ended September 30, 2024 and 2023 have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying mainly on equity-based financing to fund its operations. The Company has incurred a net loss of $29,523,950 for the nine months ended September 30, 2024 (nine months ended September, 2023 - $26,145,149). The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and any such adjustments may be material.

2. Basis of Preparation

a) Statement of compliance

These Interim Financial Statements for the period ended September 30, 2024, have been and authorized for issue by the Board of Directors on November 28, 2024.

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Certain disclosures included in the annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") have been condensed or omitted, and accordingly, these Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022 ("Annual Financial Statements").

b) Basis of presentation

These Interim Financial Statements have been prepared on a historical cost basis except for those financial instruments which have been classified at fair value through profit or loss. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The Interim Financial Statements are presented in Canadian dollars, which is also the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates.

d) Basis of consolidation

These Interim Financial Statements include the financial statements of Fireweed Metals Corp. and its wholly owned subsidiaries Fireweed Macpass Mining Ltd., Fireweed Mactung Mining Ltd., and Fireweed Gayna River Metals Ltd., incorporated in British Columbia.

3. Material Accounting Policies

These Interim Financial Statements were prepared using accounting policies consistent with those described in Note 3 to the Annual Financial Statements.

New and future accounting pronouncements

IFRS 18 *Presentation and Disclosure in Financial Statements* will replace IAS 1, Presentation of Financial Statements. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective on or after January 1, 2027. The Company is currently assessing the impact on its consolidated financial statements.

(Unaudited - expressed in Canadian Dollars)

4. Exploration and Evaluation Assets and Expenses

Exploration & Evaluation Assets	MacMillan Pass $	Gayna River $	Mactung $	Total $
Acquisition and maintenance costs:				
Balance, December 31, 2022	**12,655,113**	**57,752**	**-**	**12,712,865**
Change in rehabilitation provision	149,310	-	-	149,310
Initial recognition of rehabilitation provision			45,638	45,638
Cash payments	-	-	904	904
Transfer of deposit	-	-	1,500,000	1,500,000
Purchase obligation	-	-	2,952,847	2,952,847
Balance, December 31, 2023	**12,804,423**	**57,752**	**4,499,389**	**17,361,564**
Change in rehabilitation provision	96,117	-	-	96,117
Cash payments	-	-	14,058	14,058
Balance, September 30, 2024	**12,900,540**	**57,752**	**4,513,447**	**17,471,739**

Exploration & Evaluation Expenses	MacMillan Pass $	Gayna River $	Mactung $	Total $
Assaying	513,035	-	482	513,517
Camp and field	10,964,849	-	185,911	11,150,760
Drilling	10,644,544	52	226,518	10,871,114
Engineering	133,702	-	244,163	377,865
Exploration & Geological Consulting	723,078	222,648	111,137	1,056,863
Other Expenditures	255,774	-	-	255,774
Permitting, Environment, Social	2,029,075	300	159,196	2,188,571
Nine months ended, September 30, 2023	**25,264,057**	**223,000**	**927,407**	**26,414,464**
Assaying	1,015,557	-	6,530	1,022,087
Camp and field	10,636,469	-	35,598	10,672,067
Drilling	10,765,084	-	-	10,765,084
Engineering	81,073	-	1,018,383	1,099,456
Exploration & Geological Consulting	4,648,117	352,429	15,482	5,016,028
Other Expenditures	161,751	-	11,542	173,293
Permitting, Environment, Social	2,226,444	20,268	637,790	2,884,502
Nine months ended, September 30, 2024	**29,534,495**	**372,697**	**1,725,325**	**31,632,517**

Macmillan Pass Project, Yukon, Canada

Summary of Property Acquisitions and Royalties

The Property comprises multiple claim blocks that were acquired and consolidated over several years by Fireweed into the current Macmillan Pass property. Summaries of the underlying claim blocks/properties and royalties are described below.

Fireweed holds 100% interest in various claims comprising the Tom and Jason property. The Jason claims have a third party underlying 3% net smelter return royalty ("NSR") which can be bought out at any time for 1.5% for $1,250,000 and 1.5% for $4,000,000. There are no underlying royalties on the Tom claims.

Fireweed holds 100% interest in various claims comprising the Nidd property. The claims are subject to a 1% NSR royalty and a right of first offer to purchase future production concentrates from the Nidd property.

Fireweed holds 100% interest in various claims comprising the Mac property. These claims are subject to a production royalty of 0.25% NSR on base metals and other non-precious minerals, 1% NSR on silver and other precious metals excluding gold, and 3% NSR on gold produced.

Fireweed holds 100% interest in the MC, MP and Jerry claims. These claims are subject to production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the MC, MP and Jerry claims. The vendors are entitled to one additional payment of $750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the MC, MP or Jerry claims. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims.

Fireweed holds 100% interest in the BR claims and NS claims. These claims are subject to production royalties of 0.5% NSR on base metals and silver, and 2% NSR on all other metals including gold produced from the BR and NS claims. The vendors are entitled to one additional payment of $750,000 or equivalent in Fireweed shares at the Company's option, upon receiving a resource calculation of at least 2.0 million tonnes of indicated (or better) resource on any part of the BR or NS claims. Fireweed will have the right to purchase one-half of these NSR royalties for $2,000,000 at any time prior to the commencement of commercial production. Fireweed maintains a right of first refusal on the sale of any NSR royalty from these claims by Golden Ridge. There is also a pre-existing third party 3% NSR royalty on any future cobalt production from the BR and NS claims.

Fireweed holds 100% interest in various claims comprising the Sol property. The claims are subject to a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the property. There is an additional private third-party royalty consisting of a 2% NSR on production from the Sol Property, of which 1% may be extinguished for $2,000,000.

On January 13, 2022, the Company exercised its option and acquired 100% interest in various claims comprising the Oro property.

The property is subject to a 0.5% NSR on all base metals and silver and a 2% NSR on all other metals including gold, which may be mined from the Oro property.

Mactung Project, Yukon/NWT, Canada

On June 7, 2022, Fireweed signed a binding Letter of Intent to purchase the Mactung Project. On May 3, 2023, the Company and the Government of the Northwest Territories ("GNWT") finalized an assignment and assumption agreement (the "Agreement") for the purchase of the Mactung Project.

Summary of Mactung Acquisition Terms

Under the terms of the Agreement, GNWT will sell the Mactung Project to Fireweed for a total purchase price of $15,000,000 staged as follows:

(Unaudited - expressed in Canadian Dollars)

1. $1,500,000 upon execution of the binding LOI (paid);
2. $3,500,000 within 18 months upon finalization of the definitive agreement (paid - Note 15).
3. $5,000,000 upon Fireweed announcing its intention to construct a mine on either the Mactung Project or any portion of the mineral property interests controlled by Fireweed in the Yukon, commonly known as the Macmillan Pass Project; and
4. $5,000,000 upon Fireweed announcing its intention to construct a mine on the Mactung Project.

Contingent payments related to performance milestones were not included in the purchase price.

On the acquisition date, the Company has discounted the $3,500,000 purchase obligation using a 12% annual discount rate to $2,952,847, and during the nine months ended September 30, 2024, the Company recorded $317,796 to finance expense on purchase obligation.

On May 23, 2023, ownership of the Mactung Project assets was transferred to the Company and is considered the acquisition date for accounting purposes. All expenses incurred on the Mactung Project up to May 23, 2023 have been recorded as property investigation costs.

Mactung carries an existing NSR Royalty of 4% which is held by a third party, 2% of which can be purchased at any time for $2,500,000.

5. Equipment and Right of Use Assets

	Construction in process - Water Well	Exploration Equipment	Other Equipment	ROU Camp Equipment	ROU other	Total
Cost	$	$	$	$	$	$
As at December 31, 2022	-	132,696	145,476	-		278,172
Additions	404,204	987,007	27,141	294,243	772,168	2,484,763
As at December 31, 2023	404,204	1,119,703	172,617	294,243	772,168	2,762,935
Additions	-	76,924	5,156	-	-	82,080
As at September 30, 2024	**404,204**	**1,196,627**	**177,773**	**294,243**	**772,168**	**2,845,015**
Accumulated Depreciation						
As at December 31, 2022	-	(54,998)	(63,880)	-	-	(118,878)
Depreciation expense	-	(100,182)	(27,337)	(32,772)	(289,563)	(449,854)
As at December 31, 2023	-	(155,180)	(91,217)	(32,772)	(289,563)	(568,732)
Depreciation expense	-	(147,671)	(19,220)	(32,772)	(289,563)	(489,226)
As at September 30, 2024	**-**	**(302,851)**	**(110,437)**	**(65,544)**	**(579,126)**	**(1,057,958)**
Net book value						
As at December 31, 2023	404,204	964,523	81,400	261,471	482,605	2,194,203
As at September 30, 2024	**404,204**	**893,776**	**67,336**	**228,699**	**193,042**	**1,787,057**

During the year ended December 31, 2023, the Company entered into a lease agreement for camp equipment. The leased equipment has been recorded as a Right of Use asset (“ROU” asset) and is amortized over the life of the lease (Note 7). As at September 30, 2024, the Company had incurred $404,204 in costs related to the construction of a water well at the Macmillan Pass Project, the water well is not in use and therefore no amortization has been taken.

(Unaudited - expressed in Canadian Dollars)

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities mainly consist of payables to management and to vendors for work completed on the Company's projects as well as accrual of professional and director fees. The breakdown of accounts payable and accrued liabilities are as follows:

	September 30, 2024 $	December 31, 2023 $
Payable to related parties (Note 12)	19,969	341,521
Trade payables	4,476,393	1,888,235
Total Accounts Payable and Accrued Liabilities	**4,496,362**	**2,229,756**

7. Lease Liability

On April 15, 2023, the Company entered into a camp equipment lease agreement with a 60-month term and monthly payments of $42,469 for the first 24 months and $6,480 for the remaining 36 months. The lease consisted of two separate lease components, with the first being durable camp equipment with a life of 60 months and the second being other camp assets with an expected life of 24 months. The other camp assets have a purchase option of $1 at the conclusion of the 24-month lease period and the durable camp equipment has a purchase option of $75,765 at the conclusion of the 60-month lease period.

At the date of recognition, the lease liabilities were measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an annual interest rate of 12% respectively. The continuity of the lease liabilities is presented in the table below:

	September 30, 2024	December 31, 2023
	$	$
Balance, beginning of period	756,897	-
Additions	-	1,066,411
Lease payments	(382,222)	(382,222)
Interest expense	55,259	72,708
Balance, end of period	429,934	756,897
Less: current portion of lease liability	(262,687)	(442,621)
Non-current portion of lease liability	**167,247**	**314,276**

(Unaudited - expressed in Canadian Dollars)

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

	September 30, 2024	**December 31, 2023**
	$	**$**
Less than 1 year	293,699	509,630
1 to 5 years	194,414	360,705
5+ years	-	-
Total minimum lease payments	488,113	870,335
Less imputed interest	(58,179)	(113,438)
Total lease obligation	429,934	756,897
Current portion of lease obligation	(262,687)	(442,621)
Non-current portion of lease liability	167,247	314,276

8. Loan Payable

In May 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account under the Government of Canada COVID-19 relief program.

On January 10, 2024, the Company repaid $30,000 of the loan, with the other $10,000 being forgiven in accordance with the loan repayment terms.

9. Flow-Through Premium Liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	$
Balance at December 31, 2022	**3,658,182**
Liability incurred on flow-through shares issued	3,325,000
Flow-through issuance costs	(23,273)
Settlement of flow-through liability on incurred expenditures	(6,856,038)
Balance at December 31, 2023	**103,871**
Liability incurred on flow-through shares issued	10,380,957
Flow-through issuance costs	(266,990)
Settlement of flow-through liability on incurred expenditures	(8,413,859)
Balance at September 30, 2024	**1,803,979**

During the year ended December 31, 2023, the Company incurred flow-through expenditures of $28,606,450, therefore $6,960,708 of flow-through premium and $104,670 of flow-through related share issuance costs were recognized on the statement of loss and comprehensive loss, resulting in a $103,871 flow-through liability balance at December 31, 2023.

During the nine months ended September 30, 2024, the Company incurred flow-through expenditures of $24,121,336, therefore $8,621,329 of flow-through premium and $207,470 of flow-through related share issuance costs were recognized on the statement of loss and comprehensive loss, resulting in a $1,803,979 flow-through liability balance at September 30, 2024. The remaining flow-through expenditures must be incurred by December 31, 2025.

10. Rehabilitation Provision

The Company has estimated that the present value of future rehabilitation costs required to remediate the MacMillan Pass and Mactung Projects based on its current state.

(Unaudited - expressed in Canadian Dollars)

Although the ultimate amount of the rehabilitation liability is uncertain, the best estimate of these obligations is based on information currently available. Current significant closure and rehabilitation activities include dismantling and removing camp facilities, roads reclamation and mobile equipment removal costs.

The total amount of estimated discounted cash flow required to settle the Company's estimated obligation as at September 30, 2024 was $704,205 (2023 - $603,846). The calculation of present value of estimated future cash flows assumed a discount rate of 3.39% (2023 – 3.31%) and an inflation rate of 2.24% (2023 – 2.8.%). Rehabilitation costs are estimated to be settled at various dates during 2028.

	$
Balance, December 31, 2022	**383,180**
Change in estimate	194,948
Accretion	10,960
Balance, December 31, 2023	**589,088**
Change in estimate	96,117
Accretion	19,000
Balance, September 30, 2024	**704,205**

11. Capital Stock and Reserves

The authorized capital stock of the Company consists of an unlimited number of common shares without nominal or par value. As at September 30, 2024, the Company had 180,816,104 (December 31, 2023 – 145,445,800) common shares issued and outstanding.

Transactions for the nine months ended September 30, 2024

On June 21, 2024, the Company closed a private placement financing for gross proceeds of $43,076,296. The financing consisted of 12,985,586 common shares of the Company at a price of $1.10 per share, 909,090 flow-through common shares of the Company at a price of $1.55 per share, 15,828,359 flow-through common shares sold to charitable purchasers at a price of $1.73 per share. The Company recorded a flow-through premium of $10,380,957 in connection with the private placement. The Company incurred total share issuances costs of $740,510 of which $266,990 was allocated to the flow-through premium.

During the nine months ended September 30, 2024, 2,854,669 common shares were issued pursuant to the exercise of warrants for proceeds of $1,712,801. The Company also issued 1,592,600 common shares pursuant to the exercise of stock options for proceeds of $1,223,512. The Company re-allocated $685,688 in option value from option reserve to capital stock. The Company also issued 1,200,000 common shares pursuant to the exercise of performance shares (Note 14).

Transactions for the nine months ended September 30, 2023

On September 1, 2023, the Company closed a private placement financing for gross proceeds of $16,800,000. The financing consisted of 8,750,000 flow-through common shares of the Company at a price of $1.92 per share. The Company recorded a flow-through premium of $3,325,000 in connection with the private placement. The Company incurred aggregate cash finders' fees of $61,355 and other cash share issuance costs $145,416 and issued 44,785 one-year finders' warrants, which are exercisable at the price of $1.37 per share. The warrants were valued at $21,013 using the Black-Scholes Option Pricing Model using the following assumptions: Risk-free rate – 4.59%; expected volatility – 61.15%; expected life – 1 year; forfeiture rate – nil; dividend rate – nil.

During the nine months ended September 30, 2023, 763,392 common shares were issued pursuant to the exercise of warrants for proceeds of $519,546. The Company re-allocated $103,363 in fair value of finders' warrants from warrants reserve to capital stock.

(Unaudited - expressed in Canadian Dollars)

During the nine months ended September 30, 2023, 83,522 common shares were issued pursuant to the exercise of 241,600 options for proceeds of $26,540. Of the 241,600 options exercised, 198,000 were a cashless exercise, resulting in the issuance of 39,922 common shares. The Company re-allocated $79,654 of options reserves to capital stock.

Stock options

The Company adopted a stock option plan (“the Plan”) whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time and are exercisable within a maximum of ten (10) years. The vesting period for all options is at the discretion of the directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company’s common shares.

The following is a summary of the Company’s stock option activity:

	Number of Options	Weighted Average Exercise Price $
Balance as at December 31, 2022	**7,552,000**	**0.70**
Granted	5,616,000	1.08
Exercised	(357,600)	0.62
Forfeited	(162,800)	0.59
Expired	(665,000)	1.45
Balance, as at December 31, 2023	**11,982,600**	**0.84**
Granted	3,520,000	1.18
Exercised	(1,592,600)	0.77
Forfeited	(986,000)	0.91
Balance, as at September 30, 2024	**12,924,000**	**0.93**

The Company recorded share-based compensation recovery of $65,140 (2023 – expense of $847,905) and expense of $1,738,317 (2023 - $1,472,494) respectively, during the three and nine months ended September 30, 2024 and 2023. Of the total share-based compensation expense, $1,618,317 (2023 - $1,472,494) related to the vesting of previously granted options, using the Black-Scholes option pricing model and $120,000 (2023 - $nil) to issuance of performance shares (Note 14).

(Unaudited - expressed in Canadian Dollars)

As at September 30, 2024, the Company had outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining life in Years	Weighted Average Exercise Price $
07/11/2024[1]	40,000	40,000	0.00	0.65
06/10/2025	661,000	661,000	0.70	0.59
08/25/2025	160,000	160,000	0.90	0.71
07/07/2026	1,002,000	1,002,000	1.77	0.80
09/02/2027	2,750,000	2,155,200	2.92	0.55
09/21/2027	190,000	152,000	2.98	0.59
11/17/2027	105,000	63,000	3.13	0.73
02/27/2028	280,000	168,000	3.41	0.85
06/20/2028	3,476,000	1,390,400	3.75	1.01
07/05/2028	100,000	40,000	3.76	1.11
08/24/2028	400,000	160,000	3.90	1.70
09/12/2028	240,000	96,000	3.95	1.42
06/25/2029	3,520,000	-	4.74	1.18
	12,924,000	**6,087,600**	**3.47**	**0.93**

[1]Certain option expiry dates have been extended as allowed for under the Plan.

Share purchase warrants and agents' warrants

The share purchase warrants, agents' warrants and options activities are summarized below:

	Number of Warrants	Weighted Average Exercise Price $
Balance as at December 31, 2022	**4,265,773**	**0.63**
Exercised	(1,304,279)	0.69
Expired	(73,825)	0.88
Issued	44,785	1.37
Balance as at December 31, 2023	**2,932,454**	**0.61**
Exercised	(2,854,669)	0.60
Expired	(77,785)	1.04
Balance as at September 30, 2024	**-**	**-**

As at September 30, 2024, the Company does not have any outstanding share purchase and agents' warrants.

12. Related Party Transactions

Related party transactions mainly include management and consulting fees, director and committee fees as well as share-based compensation. The related parties are represented by the key management personnel, which include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related parties also include companies, controlled by officers and/or directors.

(Unaudited - expressed in Canadian Dollars)

The remuneration to directors and key management personnel during the nine months ended September 30, 2024, and 2023 was as follows:

Nature of the transaction	September 30, 2024 $	September 30, 2023 $
General & administrative	249,027	136,050
Investor relations and corporate development	-	69,584
Management and consulting fees	1,111,277	625,645
Management and consulting fees related to exploration and evaluation	160,303	455,927
Share-based compensation	679,687	1,172,784
Total compensation	**2,200,294**	**2,459,990**

The following amounts were owed to directors and key management personnel or companies controlled by them. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

		September 30, 2024 $	December 31, 2023 $
Director	Director and committee fees	-	20,800
Key management	Management fees and expense recoveries	19,969	330,207
		19,969	**351,007**

13. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

Fair Value

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 fair value of the Company’s cash and cash equivalents, receivables, reclamation bond, loan payable and accounts payable and accrued liabilities and purchase obligation, approximate carrying value, which is the amount recorded on the statements of financial position.

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 an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions.

(Unaudited - expressed in Canadian Dollars)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had a cash balance of $29,502,775 to settle current liabilities of $8,259,049. The Company believes it has sufficient funds to meet its current liabilities as they become due.

The Company is dependent on obtaining regular financings in order to continue as a going concern. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2024 the Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Foreign currency risk

The Company operates predominantly in Canada and is not exposed to any significant foreign currency risk.

14. Commitments

On December 19, 2016, the Company granted but did not issue, 1,000,000 performance shares to each of four founders/directors for a total of 4,000,000 common shares, in recognition of services to date and as incentive for continuing services in advancing the projects. Each founder/director will receive, upon request and confirmation, the following performance shares upon achievement of the following milestones:

Number of shares to be issued	**Milestone**
300,000	Preparation of a positive preliminary economic assessment of the Tom and Jason zinc-lead-silver deposits (or any part of this property thereof).
300,000	Increasing the mineral resources contained within the Tom and Jason property by at least 50% over the current stated mineral resources as stated in the 2007 Technical Report by D. Rennie (either by additional tonnage or increased total zinc+lead+silver content at similar or higher grade).
Balance[(1)]	Preparation of a positive Pre-Feasibility Study of the Tom and Jason deposits (or any part thereof).
Balance[(1)]	The effective disposition of greater than 50% of the Tom and Jason deposits or of the Company, whether by way of sale, business combination, joint venture or other similar form of transaction, demonstrating a value of at least $10,000,000.

(1) Balance of the 1,000,000 performance shares which have not been previously issued will be issued upon the achievement of either one or the other of these two milestones.

Under the terms of the performance shares agreement above, the Company issued 1,200,000 common shares to former directors of the Company during the nine months ended September 30, 2024.

As of September 30, 2024, a total of 1,500,000 common shares have been issued, 900,000 common shares are issuable upon request from the founder/director, and 1,600,000 common shares will be issuable upon the achievement of either one of the final two milestones.

On May 1, 2024, the Company entered into a management services agreement (the "Agreement") with a management services company for the use of certain shared office facilities and related services. As part of the terms of the Agreement, the Company is required to pay a basic fee of $20,000 per month, plus applicable taxes. The Agreement expires on April 30, 2029. The Company is required to make a one-time termination payment as determined by the Agreement and the management services company, if the Company were to terminate the agreement prior to its expiry.

15. Subsequent Event

On October 3, 2024, the Company completed the $3,500,000 payment to the GNWT in relation to the Mactung exploration property (Note 4).