CANEX Metals Inc.

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three months ended December 31, 2023

(Unaudited)

January 31, 2024

Notice to Reader

The condensed interim consolidated financial statements of CANEX Metal Inc. ("the Company") for the three-month period ended December 31, 2023, are the responsibility of the Company's management. These condensed interim consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company.

The condensed interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

"Shane Ebert"	"Chantelle Collins"
Shane Ebert	Chantelle Collins
President/Director	Chief Financial Officer

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

		December 31, 2023		September 30, 2023
ASSETS				
Current Assets				
Cash (Note 5)	**$**	**477,421**	$	695,912
Accounts receivable (Note 6)		**7,765**		6,197
Prepaid expenses		**25,646**		36,107
Short-term investments (Note 7)		**87,932**		89,842
	$	**598,764**	$	828,058
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 8)		**42,966**		42,966
Exploration and evaluation assets (Note 8)		**5,533,458**		5,053,585
	$	**5,576,424**	$	5,096,551
TOTAL ASSETS	**$**	**6,175,188**	$	5,924,609
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)		**20,132**		59,868
	$	**20,132**	$	59,868
Non-current Liabilities				
Decommissioning obligation (Note 10)		**47,900**		38,380
TOTAL LIABILITIES	**$**	**68,032**	$	98,248
EQUITY				
Share capital (Note 11)		**21,438,165**		21,135,858
Reserves		**2,265,700**		2,260,775
Deficit		**(17,596,709)**		(17,570,272)
TOTAL EQUITY		**6,107,156**		5,826,361
TOTAL EQUITY AND LIABILITIES	**$**	**6,175,188**	$	5,924,609

Nature and continuance of operations (Note 1)

Approved by the Board

"Shane Ebert"
__________________________ **Director**
Shane Ebert

"Jean Pierre Jutras"
__________________________ **Director**
Jean Pierre Jutras

See accompanying notes to the financial statements.

CANEX Metals Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the three months ended December 31,
(Unaudited - Prepared by Management)

		2023		2022
Expenses				
General and administrative (Note 13)	$	**74,112**	$	**60,228**
Reporting to shareholders		**3,867**		**4,095**
Professional fees		**4,773**		**10,282**
Stock exchange and transfer agent fees		**3,950**		**2,174**
Property fees and taxes		**1,237**		**-**
		87,939		**76,779**
Loss before other items		**(87,939)**		**(76,779)**
Other items				
Interest and other		**3,468**		**6,839**
Gain from investments (Note 7)		**58,034**		**-**
		61,502		**6,839**
Net loss and comprehensive loss for the period	$	**(26,437)**	$	**(69,940)**
Basic and diluted income per share	$	**0.00**	$	**0.00**
Weighted average shares outstanding – basic and diluted		**108,699,630**		95,040,915

Nature and continuance of operations (Note 1)

See accompanying notes to the financial statements.

CANEX Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the three months ended December 31,
(Unaudited - Prepared by Management)

		2023		2022
Increase (decrease) in cash				
Operating activities				
Cash paid to suppliers and contractors	**$**	**(99,889)**	$	(92,668)
Cash used in operating activities (Note 16)		**(99,889)**		(92,668)
Investing activities				
Interest and other income received		**3,468**		6,839
Cash received on sale of short-term investments (Note 7)		**59,944**		-
Cash expended on exploration and evaluation asset additions (Note 16)		**(180,026)**		(100,272)
Cash used in investing activities		**(116,614)**		(93,433)
Financing activities				
Share issue costs		**(1,988)**		(1,722)
Cash provided by financing activities		**(1,988)**		(1,722)
Increase in cash		**(218,491)**		(187,823)
Cash:				
Beginning of period		**695,912**		1,458,563
End of period	**$**	**477,421**	$	1,270,740

See accompanying notes to the financial statements

CANEX Metals Inc.

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Common share capital	Equity-settled share based payment	Other Reserves*	Total Reserves	Deficit	Total
	$	$	$	$	$	$
Balance, September 30, 2022	**20,431,391**	**310,418**	**1,914,896**	**2,225,314**	**(17,034,870)**	**5,621,835**
Net and comprehensive loss for the period	-	-	-	-	(69,940)	(69,940)
Share issuance - property acquisition	112,500	-	-	-	-	112,500
Share issuance costs	(1,722)	-	-	-	-	(1,722)
Balance, December 31, 2022	**20,542,169**	**310,418**	**1,914,896**	**2,225,314**	**(17,104,810)**	**5,662,673**
Net and comprehensive loss for the period	-	-	-	-	(465,462)	**(465,462)**
Options vested	-	35,461	-	35,461	-	35,461
Share issuance – April 2023	600,000	-	-	-	-	600,000
Share issuance costs	(6,311)	-	-	-	-	(6,311)
Balance, September 30, 2023	**21,135,858**	**345,879**	**1,914,896**	**2,260,775**	**(17,570,272)**	**5,826,361**
Net and comprehensive loss for the period	-	-	-	-	**(26,437)**	**(26,437)**
Share issuance - property acquisition (Note 8)	304,295	-	-	-	-	304,295
Share issuance costs	(1,988)	-	-	-	-	(1,988)
Options cancelled	-	(16,583)	16,583	-	-	-
Options vested	-	4,925	-	4,925	-	4,925
Balance, December 31, 2023	**21,438,165**	**334,221**	**1,931,479**	**2,265,700**	**(17,596,709)**	**6,107,156**

*Other Reserves, is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from Common share capital, Equity-settled share based payment reserve and Warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the financial statements

1. Nature and continuance of operations

CANEX Metals Inc. ("the Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 1620, 734 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 3P8. The Company's common shares are listed on the TSX Venture Exchange under the symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration, and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of $26,437 during the three-month period ended December 31, 2023 and has a deficit of $17,596,709 at December 31, 2023. The Company believes it has sufficient working capital to fund its administrative and other operating expenses for the next twelve-month period. Operating expenses beyond December 31, 2024, increases in expenditures over budget for the twelve-month period ended December 31, 2024, exploration programs and new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Basis of presentation

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for decommissioning obligations and financial instruments. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary, Canexco Inc. ("Canexco"). Canexco was incorporated by the Company on June 5, 2019, in Arizona, USA, to conduct its exploration and development business in the USA. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Significant accounting polices

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2023.

CANEX Metals did not adopt any new accounting policies during the three months ended December 31, 2023.

(Expressed in Canadian Dollars)

4. Significant accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical estimates include:

a) The carrying values of exploration and evaluation assets that are included in the statement of financial position, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are included in the statement of loss and comprehensive loss. (Refer to Note 1 - "Nature of operations and continuance of operations")
b) The estimate of the amount of decommissioning obligation and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the statement of financial position.
c) The estimated fair value of share purchase options and broker warrants requires determining the most appropriate model as well as the applicable inputs.
d) Judgment is required in determining whether or not deferred tax assets are recognized on the statement of financial position.
e) Management's assessment of the Company's ability to continue as a going concern involves making judgements as to whether suitable conditions and events exist to support the Company's future operations and is reassessed at each reporting period.

5. Cash

Cash is comprised of:

		Dec 31, 2023		Sept 30, 2023
Current bank accounts	**$**	**476,419**	$	688,000
Cash held in foreign currencies		**1,002**		7,912
	$	**477,421**	$	695,912

6. Accounts receivable		**Dec 31, 2023**		Sept 30, 2023
Due from related parties	**$**	**-**	$	-
Sales tax receivables		**7,765**		6,197
	$	**7,765**	$	6,197

(Expressed in Canadian Dollars)

7. Short-term investments

	Number of shares		Carrying Value
Balance at September 30, 2022	5,633,500	$	309,842
Cost base of shares sold	(4,000,000)		(361,668)
Valuation adjustment - (unrealized gain)	-		141,668
Balance at September 30, 2023	1,633,500	$	89,842
Cost base of shares sold	(599,000)		(54,160)
Valuation adjustment - (unrealized gain)	-		52,250
Balance at September 30, 2023	**1,034,500**	**$**	**87,932**

At year end September 30, 2022, the Company held 5,633,500 shares of Spruce Ridge Resources Ltd. with a cost base of $0.0904 per share.

On September 5, 2023, the company sold 4,000,000 shares at $0.04/ share for net proceeds of $158,399 resulting in a realized loss on sale of $203,269 and a net loss of $61,601 at September 30, 2023 .

On December 1, 2023, the Company sold 599,000 shares at $0.10/share for net proceeds of $59,944 resulting in a realized gain on sale of $5,784 and a net gain of $58,034 at December 31, 2023.

The common shares of Spruce Ridge Resources Ltd., were valued at their fair value, based on their respective period-end trading prices, at December 31, 2023 and September 30, 2023.

8. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (e) “Exploration and evaluation assets” of the annual financial statements for the year ended September 30, 2023. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments, and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses, and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company’s ability to recover its costs through a disposition of its interests.

Gold Range Property, Arizona, USA

On June 11, 2019, the Company’s wholly owned subsidiary, Canexco Inc., entered into an arm’s length Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the “Optionor”. The Gold Range Property, under option, is comprised of three staked lode mineral claims with a total area of 61.98 acres and is located in Mohave County, Arizona, USA.

Under the terms of the agreement, the Company was committed to making certain option payments and minimum exploration expenditures. On June 11, 2023, the Company completed its payment and expenditure obligations and the 100% earn in was completed. The Optionor will retain a 2% NSR (net smelter royalty), half of which can be bought back by the Company for US$500,000 and the remaining half for US$1,000,000.

On February 24, 2020, the Company’s wholly owned subsidiary, Canexco Inc., entered into an arm’s length Option Agreement to acquire a 100% interest in the Never Get Left Claim from Onyx Exploration Inc., the “Optionor” which is adjacent to the Company’s Pit Zone target on the Gold Range Property located in Mohave County, Arizona, USA. The Never Get Left Claim, under option, is comprised of one staked lode mineral claim with a total area of 20.99 acres.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gold Range Property, Arizona, USA (continued)

Under the terms of the agreement, the Company is committed to option payments totaling US$90,000 over four years. To date, payments totaling US$60,000 (CAD$78,739) have been made in accordance with the agreement. In addition, the Optionor will retain a 2% NSR, half of which can be bought back by the Company for US$500,000; the remaining half for US$500,000. Additionally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim.

As at December 31, 2023, under the terms of the Agreement, the Company is committed to the following cash payments:

Due date	Option Payments US$
February 24, 2024	30,000

The remaining committed option payments of US$30,000 would equate to $39,678 using the December 31, 2023, Bank of Canada exchange rate. An increase or decrease of 10% to the exchange rate would result in an increase or decrease in required option payments of $3,968.

On January 12, 2021, the Company, and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") from a private vendor, the "Optionor", over 3 Stages and located adjacent to the Company's other Gold Range properties. All of the requirements for Stage 1 have been completed under the terms of the agreement.

On August 31, 2023, the parties signed an amended option agreement whereby all requirements to complete the Stage 2 and Stage 3 earn in obligations of the original agreement were removed. In exchange, the Company could earn a 100% interest in the Property by issuing 8,694,170 shares and paying US$120,000 in cash. The Optionor will continue to hold a 1.5% NSR as outlined in the original agreement and the Company will retain a right of first refusal (ROFR), should this royalty ever be offered for sale. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, it will deliver the mine property back to the Vendor under the reversion clause of the agreement.

On September 5, 2023, the Company gave notice of its intention to exercise the option, contained in the amended agreement, to acquire 100% ownership of the Excelsior mine property.

On November 29, 2023, 8,694,170 of the Company's common shares, valued at $0.035/per share (total value - $304,295 were issued plus US$120,000 cash (CAD$166,058) was paid and the 100% purchase was completed.

As at December 31, 2023, the Company holds 261 lode mining claims and 2 patented claims (approximately 1650 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted above as well as staking. The area has seen historic lode and placer gold production but limited modern lode gold exploration. The gross costs and impairments recorded to the Gold Range Property at December 31, 2023 are $5,533,458 and $nil respectively (September 30, 2023 - $5,053,585 and $nil).

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gibson Prospect, British Columbia

On May 17, 2017, the Company had signed a purchase agreement and received exchange approval to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company also assumed the obligations of an underlying option agreement with Steven Scott. The gross costs and impairments recorded to the Gibson Prospect as at December 31, and September 30, 2023 are $473,527 and $473,527 respectively.

During the year ended September 30, 2021, the Company determined that further exploration on this property would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In November 2023, the Company received a further extension to meet its minimum exploration expenditures of $500,000 to August 30, 2024. All other terms of the option agreement remain unchanged.

As at December 31, 2023, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	Altius	
	Share issues	Minimum Exploration Expenditures*
		($)
Expenditure commitment, on or before August 30, 2024	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	1,240,000	500,000

* - as at December 31, 2023, the Company has incurred exploration expenditures of $293,500

In addition, Altius will retain a right to purchase an underlying 1.5% NSR and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Summary exploration and evaluation expenditures

A summary of exploration and evaluation expenditures by category for the Three-month period ended December 31, 2023 and year ended September 30, 2023 appear below:

Three-month period ended December 31, 2023	**Arizona, USA Gold Range Property**
	$
Exploration expenditures:	
Balance, September 30, 2023	4,274,794
Decommissioning	9,520
Balance, December 31, 2023	**4,284,314**
Property acquisition costs:	
Balance, September 30, 2023	778,791
Acquisition costs incurred	470,353
Balance, December 31, 2023	**1,249,144**
Total Exploration and evaluation assets, December 31, 2023	**5,533,458**

Year ended September 30, 2023	**Arizona, USA Gold Range Property**
	$
Exploration expenditures:	
Balance, September 30, 2022	3,419,909
Geological consulting	141,331
Field costs	8,040
Equipment rental	12,088
Travel	54.094
Geophysical survey	14,896
Geochemical	224,724
Drilling	368,568
Resource evaluation	31,144
Balance, September 30, 2023	**4,274,794**
Property acquisition costs:	
Balance, September 30, 2022	493,132
Acquisition costs incurred	285,659
Balance, September 30, 2023	**778,791**
Total Exploration and evaluation assets, September 30, 2023	**5,053,585**

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interest. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. On December 31, 2023, the Company held $10,000 in respect of the Gibson Prospect and $32,966 in respect of the Gold Range Project in exploration and evaluation asset advances and deposits (September 30, 2023 - $10,000 and $32,966 respectively).

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	December 31, 2023	September 30, 2023
Trade payables	$ **10,014**	$ 8,903
Due to related parties	**10,118**	11,840
Accrued liabilities	**-**	39,125
	$ **20,132**	$ 59,868

10. Decommissioning obligation

Changes in the decommissioning obligation:

	December 31, 2023	Sept 30, 2023
Balance, beginning of period	$ **38,380**	$ 51,906
Change in assumptions	**9,520**	-
Expenditures	**-**	(13,526)
	$ **47,900**	$ 38,380

The above noted provision represents estimated costs to restore the Company's mineral property which includes the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal obligations as at the respective period end dates for current and future decommissioning obligations. The period end present value of the decommissioning obligation was determined using a risk-free rate of 3.99% (September 30, 2023 – 4.87%). The estimated total undiscounted amount, using an inflation rate of 3.94% (September 30, 2023 – 4.12%) for the three-month period ended December 31, 2023 is $51,872 (year ended September 30, 2023 - $41,508). The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire, at which time the reclamation must have been completed. No accretion expense has been recorded in the current period because the amount is immaterial.

11. Share capital, stock options and warrants

a) **Authorized**
Unlimited number of common shares without par value

b) **Issued and outstanding common share capital**

	Shares	Value $
Balance, as at September 30, 2023	**105,486,567**	**21,135,858**
Share issuance – property acquisition	8,694,170	304,295
Share issuance costs	-	(1,988)
Balance, as at December 31, 2023	**114,180,737**	**21,438,165**

	Shares	Value $
Balance, as at September 30, 2022	**94,486,567**	**20,431,391**
Shares issued for property – November 2022	1,000,000	112,500
Share issuance – April 2023	10,000,000	600,000
Share issuance costs	-	(8,033)
Balance, as at September 30, 2023	**105,486,567**	**21,135,858**

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

b) Issued and outstanding common share capital

Three-month period ended December 31, 2023

On November 29, 2023, 8,694,170 common shares were issued in accordance with the Excelsior Mine Property amended option agreement. The share issuance was valued using the trading price on the date of issue. (Note 8 - "Exploration and evaluation assets").

Year ended September 30, 2023

On November 11, 2022, 1,000,000 common shares were issued in accordance with the Excelsior Mine Property option agreement. The share issuance was valued using the closing share price on the transaction date. (Note 8 - "Exploration and evaluation assets").

On April 3, 2023, the Company closed a non-brokered private placement financing for 10,000,000 common shares at a price of $0.06 per share for gross proceeds of $600,000. Related parties, comprised of officers and directors, acquired 1,835,869 of the common shares issued.

During the period subsequent to the date of these financial statements there were no shares issued, and none cancelled and returned to treasury.

c) Stock options outstanding

	Number of options		Exercise
Expiry	December 31, 2023	September 30, 2023	Price
July 27, 2024	**1,450,000**	1,575,000	$0.15
September 23, 2024	**1,125,000**	1,200,000	$0.06
October 4, 2024	**710,000**	710,000	$0.055
May 1, 2027	**1,462,500**	1,525,000	$0.18
July 11, 2026	**400,000**	400,000	$0.06
	5,147,500	5,410,000	

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time.

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

d) Stock option transactions

Three-month period ended December 31, 2023

	Number of options	Weighted average exercise price
Balance, September 30, 2023	5,410,000	$0.12
Cancelled	(262,500)	$0.13
Balance, December 31, 2023	5,147,500	$0.12

Year ended September 30, 2023

	Number of options	Weighted average exercise price
Balance, September 30, 2022	5,010,000	$0.12
Issued	400,000	$0.06
Exercised	-	-
Expired	-	-
Balance, September 30, 2023	5,410,000	$0.12

During the period subsequent to the date of these financial statements, no stock options were issued nor expired and none were exercised.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Three-month period ended December 31, 2023

Exercise Price	Expiry	Balance Sept 30, 2023	Warrants Exercised	Warrants Issued	Balance December 31, 2023
$0.18	May 27, 2024	9,615,458	-	-	**9,615,458**

During the period subsequent to the date of these financial statements, no warrants were issued nor expired and none were exercised.

12. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:
- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments.

12. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

		December 31, 2023		September 30, 2023
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**87,932**	$	89,842
Financial asset measured at amortized cost:				
Cash	**$**	**477,421**	$	695,912
Accounts receivable		**1,181**		-
	$	**478,602**	$	695,912
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**20,132**	$	59,868

The above noted financial instruments are exclusive of any sales tax. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US$ denominated liabilities. At December 31, 2023, the Company had US$757, ($1,002) in a US denominated bank account (September 30, 2023 - US$5,852, ($7,912)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of $76 (September 30, 2023 - $585). Additionally, on December 31, 2023, accounts payable and accrued liabilities include liabilities of US$nil, ($nil) (September 30, 2023 - US$4,290 ($5,753)), that must be settled in US$. The effect of a foreign currency increase of decrease of 10% on this liability would result in an increase or decrease of $nil (September 30, 2023 – $429) to the amount payable.

13. General and administrative

		December 31, 2023		December 31, 2022
Administrative consulting fees	**$**	**44,694**	$	39,829
Share-based compensation (Note 14)		**4,925**		-
Occupancy costs		**5,671**		4,697
Office, secretarial, supplies and other		**12,592**		8,799
Travel and promotion		**273**		288
Insurance		**3,930**		3,939
Directors' fees		**1,500**		1,500
Computer network and website maintenance		**527**		1,176
	$	**74,112**	$	60,228

(Expressed in Canadian Dollars)

14. Stock-based payment transactions

During the three month period ended December 31, 2023, the Company did not issue any options, but recognized stock-based compensation related to options that were issued in July of 2023 that will vest over the following 12 months.
During the three month period ended December 31, 2022, the company did not issue any options nor recognize any stock-based payment expense.

15. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. ("Jade Leader") by virtue of common officers and directors. In addition, related parties include members of the Board of directors, officers and their close family members. Vector Resources Inc., a company controlled by Shane Ebert, President, and director of CANEX Metals; 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of CANEX Metals are also considered related parties. The Company incurred the following amounts charged to (by) related parties:

Three months ended:			**December 31, 2023**		**December 31, 2022**
Key management remuneration:					
President and director	a	**$**	**(8,750)**	$	(19,425)
Corporate secretary	b		**(11,025)**		(7,320)
Chief Financial Officer	c		**-**		(300)
Directors' fees	d		**(1,500)**		(1,500)
		$	**(21,275)**	$	(28,545)

Three months ended:			**December 31, 2023**		**December 31, 2022**
Other related party transactions:					
Jade Leader					
Office rent and operating costs paid	e	**$**	**(5,955)**	$	(4,697)
General, administrative and secretarial costs paid	e	**$**	**(1,805)**	$	(1,343)
General, administrative and secretarial costs received	e	**$**	**-**		316
635280 Alberta Ltd.					
Geological consulting services	f	**$**	**(394)**	$	(300)

The following amounts were receivable from or due to related parties at the respective period ends:

Balances Receivable (Payable)			**December 31, 2023**		September 30, 2023
Consulting fees:					
President and director	a	**$**	**(2,756)**	$	(6,615)
Office rent and operating costs					
Jade Leader		**$**	**-**	$	-
General and administrative and secretarial costs:					
Jade Leader		**$**	**(1,814)**	$	(1,452)
Corporate secretary	b	**$**	**(2,926)**	$	(2,795)
635280 Alberta Ltd.	f	**$**	**(413)**		-
President and director	a	**$**	**-**	$	(979)

(Expressed in Canadian Dollars)

15. Related party balances and transactions and key management remuneration (continued)

Management compensation payable to "key management personnel" during the respective three- and- month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, and the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. There were no options granted to officers and directors during the three-month periods ended December 31, 2023 nor December 31, 2022.

a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets.

b) The Corporate Secretary provides services to the Company on a contract basis.

c) The Chief financial officer provides services to the Company on a contract basis.

d) The Company pays directors who are not officers of the Company $500 for meeting attendance in person or by telephone. As at December 31, 2023, there are three directors who are not officers and the amounts above reflect directors' fees paid or payable for meetings attended during the above-noted periods.

e) Jade Leader incurred certain administrative expenses on the Company's behalf that are subsequently billed to the Company on a quarterly basis. Further, the Company incurred certain administrative costs on behalf of Jade Leader that are billed on a quarterly basis. The Company has leased office space from Jade Leader since April 1, 2015. Jade Leader and the Company share two common officers and two common directors.

f) During the three-month period ended December 31, 2023 and 2022, geological consulting services were provided by 635280 Alberta Ltd.

Related party transactions were measured at the amounts agreed to by the transacting parties.

16. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss:

Three months ended December 31,

		2023		**2022**
Loss and comprehensive loss	**$**	**(26,437)**	$	(69,940)
Interest and other items		**(3,468)**		(6,839)
Stock based compensation		**4,926**		-
Gain on short-term investments		**(58,034)**		-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		**(3,117)**		(578)
Prepaid expenses		**10,459**		2,055
Accounts payable and accrued liabilities		**(24,218)**		(17,366)
Cash used in operating activities	**$**	**(99,889)**	$	(92,668)

(Expressed in Canadian Dollars)

16. Supplemental disclosure statement of cash flows (continued)

Reconciliation of cash expended on exploration and evaluation assets:

Three months ended December 31,

		2023		2022
Change in exploration assets	**$**	**(479,873)**	$	(178,669)
Share issuance (Note 8)		**304,295**		112,500
Decommissioning asset		**9,520**		
Changes in assets and liabilities pertaining to exploration and evaluation assets:				
Accounts receivable		**1,549**		(913)
Accounts payable and accrued liabilities		**(15,517)**		(33,190)
Cash expended on exploration and evaluation assets	**$**	**(180,026)**	$	(100,272)

17. Segment disclosures

During the three-month periods ended December 31, 2023 and December 31, 2022 and the year ended September 30, 2023, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. As at December 31, 2023, the value of non-current assets associated with United States operations is $5,566,424 (September 30, 2023 - $5,086,551) including exploration and evaluation asset advances and deposits of $32,966 (September 30, 2023 - $32,966) and exploration and evaluation assets of $5,533,458 (September 30, 2023 - $5,053,585). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 8 – “Exploration and evaluation assets” for details of the carrying amounts of these assets at the respective period ends.