



FINANCIAL STATEMENTS

(Stated in Canadian dollars)

July 31, 2024 and 2023

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended July 31, 2024.

The accompanying unaudited condensed interim financial statements have been prepared by management.

(Unaudited – Expressed in Canadian dollars)

Total liabilities and shareholders' equity	\$	1,194,193	\$	1,550,100
--	----	-----------	----	-----------

Events after the reporting period (Note 11)

Approved and authorized on behalf of the Board of Directors on September 27, 2024:

Sylvain Laberge

Andrew Davidson

The accompanying notes are an integral part of these financial statements

1844 Resources Inc.**Statements of Loss and Comprehensive Loss****(Unaudited – Expressed in Canadian dollars)**

For the three months ended July 31,	2024	2023
Operating Expenses		
General and administrative (Note 6)	\$ 29,982	\$ 42,263
Management fees (Note 7)	37,500	37,500
Professional fees	31,844	25,391
Property investigation costs	-	725
Share-based compensation (Note 4)	-	12,200
Transfer agent and filing fees	2,267	1,657
	101,593	119,736
Loss from operations	(101,593)	(119,736)
Other income on settlement of flow-through premium liability (Note 4)	-	831
Net loss and comprehensive loss	\$ (101,593)	\$ (118,905)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	97,388,258	79,683,258

The accompanying notes are an integral part of these financial statements

1844 Resources Inc.

Statements of Changes in Shareholders' Equity

(Unaudited – Expressed in Canadian dollars)

	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Shareholders' Equity
Balance, May 1, 2023	79,683,258	\$	13,338,702	\$	2,489,762	\$	(14,912,765)	\$	915,699
Share-based compensation	-		-		12,200		-		12,200
Net loss	-		-		-		(118,905)		(118,905)
Balance, July 31, 2023	79,683,258	\$	13,338,702	\$	2,501,962	\$	(15,031,670)	\$	808,994
	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Shareholders' Equity
Balance, May 1, 2024	97,388,258	\$	13,569,499	\$	2,596,582	\$	(15,692,431)	\$	473,650
Net loss	-		-		-		(101,593)		(101,593)
Balance, July 31, 2024	97,388,258	\$	13,569,499	\$	2,596,582	\$	(15,794,024)	\$	372,057

The accompanying notes are an integral part of these financial statements

1844 Resources Inc.**Statements of Cash Flows**

(Unaudited – Expressed in Canadian dollars)

For the three months ended July 31,	2024	2023
Cash flows used in Operating Activities		
Net loss for the period	\$ (101,593)	\$ (118,905)
Items not affecting cash:		
Other income on settlement of flow-through premium liability	-	(831)
Share-based compensation	-	12,200
Net changes in non-cash working capital items:		
Increase in accounts payable and accrued liabilities	7,264	21,488
(Increase) decrease in other receivables and prepaid expenses	(58,379)	155,094
Cash flows used in Operating Activities	(152,708)	69,046
Cash flows used in Investing Activities		
Exploration and evaluation assets	(4,000)	-
Cash flows used in Investing Activities	(4,000)	-
Net change in cash during the period	(156,708)	69,046
Cash, beginning of period	189,192	66,597
Cash, end of period	\$ 32,484	\$ 135,643
Non-cash transactions		
Accounts payable related to exploration and evaluation assets	\$ 45,297	\$ -

The accompanying notes are an integral part of these financial statements

1844 Resources Inc.

Notes to the Condensed Interim Financial Statements

As at July 31, 2024 and for the three months ended July 31, 2024 and 2023

(Unaudited – Expressed in Canadian dollars)

1. Description of business and going concern

1844 Resources Inc. (the “Corporation”) was incorporated under the laws of British Columbia, Canada on May 31, 2006 and is listed on the TSX Venture Exchange (“TSX-V”). The principal business of the Corporation is the identification, exploration and development of mineral properties.

The address of the Corporation’s corporate office and principal place of business is Suite 602 – 224 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5. These financial statements were approved by the Corporation’s board of directors on September 27, 2024.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the exploration and evaluation stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Corporation’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Corporation’s investment in these assets is dependent upon the renewed legal ownership of the claims and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Corporation’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

As at July 31, 2024, the Corporation’s current cash resources are insufficient to cover the expected expenditures in fiscal 2025. The Corporation’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

The Corporation reported net losses in the three months ended July 31, 2024 and fiscal 2024 of \$101,593 and \$779,666 respectively, has an accumulated deficit of \$15,794,024 (April 30, 2024 - \$15,692,431) and has working capital deficiency of \$778,562 (2024 – working capital deficiency of \$676,969). These circumstances and the need for continued financing to further successful exploration may cast significant doubt as to the Corporation’s ability to continue as a going concern.

The material accounting policy information used in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the periods presented.

These financial statements do not include any adjustments to the carrying values of assets and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

2. Material accounting policy information**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation and described in Note 2 of the annual audited financial statements as at and for the year ended April 30, 2024. Accordingly, these condensed interim financial statements for the three month period ended July 31, 2024 and 2023 should be read together with the annual financial statements as at and for the year ended April 30, 2024.

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value and are prepared and presented in Canadian dollars, which is the Corporation’s functional currency. In addition, these financial statements are based on the accrual method of accounting, with the exception of cash flow information.

New and amended IFRS pronouncements

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of the new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company’s annual financial statements.

3. Exploration and evaluation assets

Exploration and evaluation asset expenditures by nature are detailed as follows:

<u>Period ended July 31,</u>	<u>2024</u>		<u>2023</u>
Miscellaneous expenses	\$	-	\$ 1,900
	\$	-	\$ 1,900

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)****3. Exploration and evaluation assets (continued)**

Exploration and evaluation assets by properties are detailed as follows:

	Balance as at May 1, 2023		Additions	Impairment/ Disposals	Balance as at April 30, 2024
Vortex	\$ 26,269	\$	17,821	\$ (44,090)	\$ -
Davidson	46,781		-	(46,781)	-
Native Copper	604,668		35,558	-	640,226
Lac Crystal	56,881		-	(56,881)	-
	\$ 734,599	\$	53,379	\$ (147,752)	\$ 640,226

	Balance as at May 1, 2024		Additions	Impairment/ Disposals	Balance as at July 31, 2024
Vortex	\$ -	\$	-	\$ -	\$ -
Davidson	-		-	-	-
Native Copper	640,226		-	-	640,226
Lac Crystal	-		-	-	-
	\$ 640,226	\$	-	\$ -	\$ 640,226

Vortex

The Vortex project is a copper molybdenum exploration opportunity in the Gaspé region of Quebec and is the site of the former Gaspé Copper mine and smelter. The project is comprised of three main claim groups:

- The Sullipek deposit, situated on the western edge of the project area;
- The Sullipek East property, a skarn/porphyry copper opportunity; and
- The Madeleine des Vercheres claim group.

As part of the acquisition of the Vortex claims, the Corporation entered into an agreement with 49 North Resources Inc. to grant a 2% net smelter return “NSR” royalty from the sale of all copper-molybdenum lands portion of the property. The Corporation may, at any time reduce the NSR from 2% to 0.5%, by making a cash payment of \$1,000,000 to 49 North Resources Inc. During the year end April 30, 2024, the Corporation determined that it will allow the claims to lapse as they come due, and has written down the property to nil.

Davidson

The Davidson project is situated in the Chibougamau Region and is part of a 50/50% Joint Venture with J.A MacLeod Exploration. The project is grassroot and mainly for base metal exploration (Copper, Zinc, Cobalt). During the year end April 30, 2024, the Corporation determined that it will allow the claims to lapse as they come due, and has written down the property to nil.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

3. Exploration and evaluation assets (continued)**Native Copper**

The Native Copper Project, situated west of the Municipality of Chandler, Quebec, is composed of 4 sectors Native Copper South, North-West, North-East and Central and has nine (9) known indicators: Ruisseau Bleu, T.Nelson 1 and 2, Riviere St-Jean South, Route 102 S-W, Jean-Baptiste Beaudin, Ruisseau Cantin, Fer à Cheval 1 and 2 and Triangle d'Argent.

On October 4, 2021, the Corporation acquired 4 additional claims through the issuance of 400,000 common shares at a fair value of \$32,000, and granted a 2% NSR, which 1% can be purchased for \$500,000.

On February 17, 2022, the Corporation acquired 25 additional claims through the issuance of 400,000 common shares at a fair value of \$36,000, and granted a 2% NSR, which 1% can be purchased for \$500,000.

On May 24, 2022, the Corporation entered into an agreement to acquire additional claims to the Native Copper project. As consideration the Corporation must pay \$5,000 cash (not paid), issue 500,000 common shares (issued) and grant a 2% NSR, which 1% can be purchased for \$750,000.

On June 20, 2022, the Corporation entered into an agreement to acquire additional claims to the Native Copper project. As consideration the Corporation must pay \$5,000 cash (not paid), issue 500,000 common shares (issued) and grant a 2% NSR, which 1% can be purchased for \$750,000.

Lac Arsenault

During the year ended April 30, 2019 the Corporation entered into an agreement to acquire 15 mining claims in the southern part of the Gaspé Peninsula, Quebec in exchange for 100,000 common shares of the Corporation (issued at a fair value of \$3,500).

On December 6, 2022, the Corporation agreed to sell the Lac Arsenault project to Canadian Gold Resources Ltd. for \$600,000, payable as follows:

- \$100,000 cash on closing (received)
- Shares of Canadian Gold Resources Ltd. having a value of \$500,000 (received)
- 1% NSR, which the purchaser will have to right to repurchase for \$500,000

At April 30, 2024, Canadian Gold Resources Ltd. is in the process of completing their public offering. The Corporation has received the shares having a value of \$500,000. The \$119,254 loss on disposal of exploration asset on the statement of loss and comprehensive loss includes the recovery of \$12,997 mining tax credits related to the property.

Lac Crystal

During the year ended April 30, 2022 the Corporation entered into an agreement to acquire 12 mining claims in the Gaspé Peninsula, Quebec in exchange for 400,000 common shares of the Corporation (issued at a fair value of \$38,000), and 625,000 shares will be issued at the second anniversary. The vendor retained a 2% NSR. The parties have agreed that 1% of the NSR could be acquired for \$500,000. Prior to the acquisition the Corporation staked an additional 34 claims for a total of 46 claims. During the year end April 30, 2024, the Corporation allowed the claims to lapse, and has written down the property to nil.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

4. Common shares and contributed surplus

The Corporation is authorized to issue an unlimited number of common shares without par value.

Common shares issued

On December 29, 2023 the Corporation issued 3,587,500 flow-through common shares at a price of \$0.03 per common share for total proceeds of \$107,625. Each unit consists of one flow-through common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. The Corporation paid cash commissions totaling \$4,860, other share issue costs totaling \$22,983, and issued 162,000 broker compensation warrants with a value of \$1,620.

On March 27, 2024 the Corporation issued 14,117,500 non-flow-through common share units at a price of \$0.02 per unit for total proceeds of \$282,350. Each unit consists of one non-flow-through common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. Share issue costs totaled \$24,840.

Stock option plan

The directors of the Corporation have adopted, and the shareholders have approved an Omnibus equity incentive compensation plan (the “2022 Option Plan”), pursuant to which the directors may from time to time grant options, performance share units, restricted share units and for up to 10% of its issued and outstanding shares. The purpose of the Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation. All stock options granted to officers and directors vest immediately upon issuance; whereas stock options granted to consultants have vesting terms defined at the discretion of the Corporation's board of directors.

A summary of the outstanding and exercisable stock options is as follows:

	July 31, 2024		April 30, 2024	
	Options	Price	Options	Price
Outstanding and exercisable, beginning of period	5,400,000	\$ 0.09	5,000,000	\$ 0.09
Options granted	-	-	400,000	0.09
Outstanding and exercisable, end of period	5,400,000	\$ 0.09	5,400,000	\$ 0.09

On May 16, 2023, the Board of Directors of the Corporation approved the grant of 200,000 stock options pursuant to the Corporation's 2022 Option Plan. 200,000 of the options were granted to consultants of the Corporation.

The options are exercisable at \$0.05 per share, vest immediately and, if not exercised, expire May 16, 2028, subject to earlier expiration in accordance with the 2022 Option Plan and applicable policies of the TSX-V.

Using the Black-Scholes option pricing model, the value of the stock options was estimated to be \$5,600, which was recorded as share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 3.06%, expected life of options 5 years, annualized volatility 178.54% and dividend rate of nil.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)****4. Common shares and contributed surplus (continued)**

On June 13, 2023, the Board of Directors of the Corporation approved the grant of 200,000 stock options pursuant to the Corporation's 2022 Option Plan. 200,000 of the options were granted to consultants of the Corporation.

The options are exercisable at \$0.05 per share, vest immediately and, if not exercised, expire June 13, 2028, subject to earlier expiration in accordance with the 2022 Option Plan and applicable policies of the TSX-V.

Using the Black-Scholes option pricing model, the value of the stock options was estimated to be \$6,600, which was recorded as share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 3.52%, expected life of options 5 years, annualized volatility 178.81% and dividend rate of nil.

Warrants

A summary of the outstanding warrants is as follows:

	July 31, 2024		April 30, 2024	
		Weighted Average Exercise Price		Weighted Average Exercise Price
	Warrants		Warrants	Price
Outstanding, beginning of period	8,852,500	\$ 0.05	20,780,000	\$ 0.08
Expired	-	-	(20,780,000)	0.080
Issued	-	-	1,793,750	0.050
Issued	-	-	7,058,750	0.05
Outstanding, end of period	8,852,500	\$ 0.05	8,852,500	\$ 0.05

On December 29, 2023, the Corporation issued 1,793,750 warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. The fair value of these warrants was estimated at \$24,000 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 141.99%, and a risk free interest rate of 3.71%. These warrants expire on December 28, 2026.

On March 27, 2024, the Corporation issued 7,058,750 warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months. The fair value of these warrants was estimated at \$69,000 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 135.73%, and a risk free interest rate of 3.87%. These warrants expire on March 27, 2027.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

4. Common shares and contributed surplus (continued)**Broker warrants**

A summary of the outstanding broker warrants is as follows:

	July 31, 2024		April 30, 2024	
	Warrants	Price	Warrants	Price
Outstanding, beginning of period	1,215,120	\$ 0.06	2,026,720	\$ 0.07
Broker warrants issued	-	-	162,000	0.050
Broker warrants expired	(240,000)	0.08	(973,600)	0.08
Outstanding, end of period	975,120	\$ 0.05	1,215,120	\$ 0.06

On July 27, 2022, the Corporation issued 240,000 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.08 for a period of 24 months and vest immediately. The fair value of these warrants was estimated at \$6,240 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 126.17%, and a risk free interest rate of 3.09%. These warrants expire on July 27, 2024. These broker warrants expired unexercised.

On November 23, 2022, the Corporation issued 813,120 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months and vest immediately. The fair value of these warrants was estimated at \$26,833 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 161.42%, and a risk free interest rate of 3.89%. These warrants expire on November 23, 2025.

On November 23, 2023, the Corporation issued 162,000 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.05 for a period of 36 months and vest immediately. The fair value of these warrants was estimated at \$1,620 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 161.42%, and a risk free interest rate of 3.89%. These warrants expire on November 23, 2026.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)****4. Common shares and contributed surplus (continued)****Contributed surplus**

The fair values of broker warrants have been valued using the Black-Scholes option pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

A summary of the contributed surplus activity is as follows:

	July 31, 2024	April 30, 2024
Balance, beginning of period	\$ 2,596,582	\$ 2,489,762
Private placements - warrants	-	93,000
Private placements - broker warrants	-	1,620
Share-based compensation	-	12,200
Balance, end of period	\$ 2,596,582	\$ 2,596,582

Other income on settlement of flow-through premium liability

During the year ended April 30, 2024, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$11,875. The Corporation is required to incur \$107,625 in eligible flow-through expenditures by December 31, 2024.

5. Income taxes

The significant components of the Corporation's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2024	Expiry Date Range	2023	Expiry Date Range
Share issue costs	\$ 197,000	2045 to 2048	\$ 235,000	2044 to 2047
Exploration and evaluation assets	\$ 3,382,000	No expiry date	\$ 3,252,000	No expiry date
Non-capital losses available for future periods	\$ 6,116,000	2031 to 2044	\$ 5,480,000	2031 to 2043

Tax attributes are subject to review, and potential adjustment, by tax authorities.

6. General and administrative

For the three months ended July 31,	2024	2023
Investor relations	\$ 18,690	\$ 32,080
Insurance	3,609	2,810
Office and other expenses	7,683	7,373
	\$ 29,982	\$ 42,263

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

7. Related party transactionsCompensation of key executive personnel

	July 31, 2024	April 30, 2024
Consulting fees to officers	\$ 37,500	\$ 37,500
	\$ 37,500	\$ 37,500

Consulting fees paid or accrued to directors and officers or companies controlled by directors and officers are recorded as management fees.

During the period ended July 31, 2024, \$37,500 (2023 - \$37,500) was recorded for consulting services provided by a companies controlled by directors and officers of the Corporation. As at July 31, 2024 the Corporation owed \$272,461 (April 30, 2023 - \$279,042) related to such services, which is included in accounts payable and accrued liabilities.

8. Capital management

The Corporation's objectives when managing capital are:

- (a) to allow the Corporation to respond to changes in economic and/or market place conditions by maintaining the Corporation's ability to continue its exploration programs;
- (b) to provide sustained growth and value by increasing equity; and
- (c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) raising capital through equity financings; and
- (b) borrowing funds in the form of advances from related parties.

The Corporation is not subject to any capital requirements imposed by a regulator. There were no changes in the Corporation's approach to capital management during the current year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

9. Financial instruments

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.

1844 Resources Inc.

Notes to the Condensed Interim Financial Statements

As at July 31, 2024 and for the three months ended July 31, 2024 and 2023

(Unaudited – Expressed in Canadian dollars)

9. Financial instruments (continued)

The fair value of the Corporation's other receivables and accounts payable and accrued liabilities approximate their carrying values. The Corporation's other financial instrument, being cash, is measured at fair value using Level 1 inputs, and investment in private company shares is measured using level 3 inputs.

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

Credit Risk

The Corporation's credit risk is primarily attributable to cash. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2024, the Corporation had a cash balance of \$32,484 to settle accounts payable and accrued liabilities of \$810,263.

The Corporation has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Corporation will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Corporation is not exposed to risk in the event of interest rate fluctuations. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

10. Segmented disclosure

The Corporation operates in one operating segment, mineral exploration. All of the Corporation's assets are located in Canada.

1844 Resources Inc.**Notes to the Condensed Interim Financial Statements****As at July 31, 2024 and for the three months ended July 31, 2024 and 2023****(Unaudited – Expressed in Canadian dollars)**

11. Events after the reporting period

On August 7, 2024, the Corporation signed a letter intent to option up to 100% of the Hawk Ridge project from Nickel North Exploration Corp. (“NNX”) As consideration the Corporation would issue cash payments, share issuances and financings in phases, as follows:

At signing – paying \$12,000

At approval – paying \$200,000 and issuing 5,000,000 common shares to earn a 10% undivided interest

1st anniversary – paying \$250,000 and issuing 3,000,000 common shares and incurring \$500,000 of exploration expenditures before the first anniversary date to earn an additional 10% undivided interest

2nd anniversary – paying \$250,000 and issuing 3,000,000 common shares and incurring \$1,000,000 of exploration expenditures before the second anniversary date to earn an additional 10% undivided interest

3rd anniversary – paying \$250,000 and issuing 3,000,000 common shares and incurring \$1,500,000 of exploration expenditures before the third anniversary date to earn an additional 10% undivided interest

4th anniversary – paying \$250,000 and issuing 3,000,000 common shares and incurring \$1,500,000 of exploration expenditures before the fourth anniversary date to earn an additional 20% undivided interest

5th anniversary – paying \$300,000 and issuing 4,000,000 common shares and incurring \$1,500,000 of exploration expenditures before the fifth anniversary date to earn an additional 20% undivided interest

The remaining 20% interest can be acquired by the Corporation for a one time payment of \$2,000,000.

If the remaining 20% interest is acquired by the Corporation a 2% NSR will be granted to NNX, which can be reduced by to 1% by issuing a one time payment of \$1,000,000.