Comstock Metals Ltd.

Condensed Interim Financial Statements

Six Months Ended March 31, 2024

Expressed in Canadian Dollars

(UNAUDITED)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

Comstock Metals Ltd.
Interim statements of financial position
(Expressed in Canadian dollars - Unaudited)

	Notes		March 31, 2024		September 30, 2023
ASSETS					
Current assets					
Cash		$	11,466	$	58,978
Other receivables			1,354		491
Prepaid expenses			6,859		1,408
Investments	3		470,950		706,425
			490,629		**767,302**
Non-current assets					
Exploration and evaluation assets	4		1		1
			1		**1**
TOTAL ASSETS			**490,630**		**767,303**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5, 8	$	269,788	$	269,565
Loans payable	6, 8		222,381		211,852
TOTAL LIABILITIES			**492,169**		**481,417**
SHAREHOLDERS' (DEFICIENCY) EQUITY					
Share capital	7		18,466,089		18,466,089
Share-based payment reserve	7		2,703,965		2,703,965
Deficit			(21,171,593)		(20,884,168)
TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY			**(1,539)**		**285,886**
TOTAL LIABILITIES AND (DEFICIENCY) EQUITY		**$**	**490,630**	**$**	**767,303**

Nature and continuance of operations (Note 1)

Commitments (Note 11)

Approved on behalf of the Board:

"Steven Goldman"

"Arnold Tenney"

Comstock Metals Ltd.

Interim statements of operations and comprehensive loss

(Expressed in Canadian dollars - Unaudited)

		Three-month period ended		Six-month period ended	
		March 31,	March 31,	March 31,	March 31,
	Notes	2024	2023	2024	2023
Expenses					
Corporate development		150	-	300	860
Interest		5,236	-	10,529	-
Listing and filing fees		4,659	2,352	7,162	8,036
Management fees	7	-	-	-	15,000
Office and administrative	7	3,248	3,086	6,614	15,773
Professional fees		24,737	1,733	28,058	36,286
Rent	7	-	-	-	3,898
		$ (38,030)	$ (7,171)	$ (52,663)	$ (79,853)
Other items					
Interest income		279	241	824	819
Foreign exchange loss		(48)	(9)	(111)	(51)
Unrealized loss on investments	3	-	(277,500)	(235,475)	(832,500)
		231	(277,268)	(234,762)	(831,732)
Comprehensive loss for the period		**$ (37,799)**	**$ (284,439)**	**$ (287,425)**	**$ (911,585)**
Loss per share – basic and diluted	6	**$ (0.00)**	**$ (0.01)**	**$ (0.01)**	**$ (0.03)**
Weighted average number of shares outstanding		**29,671,985**	**29,671,985**	**29,671,985**	**29,671,985**

Comstock Metals Ltd.
Interim statements of changes in shareholders' (deficiency) equity
(Expressed in Canadian dollars - Unaudited)

		Share Capital					
	Notes	Number of shares	Amount	Share subscriptions received	Share-based payment reserve	Deficit	Total
Balance at October 1, 2023		29,671,985	$ 18,466,089	$ -	$ 2,703,965	$ (20,884,168)	$ 285,886
Net and comprehensive loss		-	-	-	-	(287,425)	(287,425)
Balance at March 31, 2024		**29,671,985**	**$ 18,466,089**	**$ -**	**$ 2,703,965**	**$ (21,171,593)**	**$ (1,539)**

Balance at October 1, 2022		29,671,985	$ 18,466,089	$ -	$ 2,703,965	$ (19,660,179)	$ 1,509,875
Net and comprehensive loss		-	-	-	-	(911,585)	(911,585)
Balance at March 31, 2023		**29,671,985**	**$ 18,466,089**	**$ -**	**$ 2,703,965**	**$ (20,571,764)**	**$ 598,290**

Comstock Metals Ltd.

Interim Statements of cash flows

(Expressed in Canadian dollars - Unaudited)

	Six-month period ended	
	March 31, 2024	**March 31, 2023**
Operating activities		
Net loss	$ (287,425)	$ (911,585)
Adjustments for non-cash items:		
Interest on loans	10,529	-
Unrealized fair value loss on investments	235,475	832,500
Changes in non-cash working capital items:		
Other receivables	(863)	4,498
Prepaid expenses and deposits	(5,451)	2,977
Accounts payable and accrued liabilities	223	28,481
Net cash flows used in operating activities	(47,512)	(43,129)
Decrease in cash	(47,512)	(43,129)
Cash, beginning	58,978	59,811
Cash, ending	**$ 11,466**	**$ 16,682**

1. Nature and continuance of operations

Comstock Metals Ltd. (the "Company" or "Comstock") was incorporated on December 13, 2007 under the laws of the province of British Columbia, Canada. The Company's shares are traded on the TSX Venture Exchange's NEX Board (the "Exchange") under the symbol "CSL-H". The head office, registered office, principal address and records office of the Company are located at P.O. Box 30072, RPO Parkgate Vlg, North Vancouver, British Columbia, Canada, V7H 2Y8.

Comstock is currently considering its various options including the acquisition and exploration of new projects.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2024, the Company does not have an active business. The Company's continuation as a going concern is dependent upon its ability to acquire a new business or mineral property and attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, the sale of investments and or private placement of common shares. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on May 14, 2024 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and accordingly, certain information and note disclosure included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed interim financial statements should be read in conjunction with the Company's September 30, 2023 audited annual financial statements.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of net assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Significant accounting policies and basis of preparation (cont.)

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in preparing the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- The determination of whether or not to impair exploration and evaluation assets.

Foreign currency translation

The functional currency is determined using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of operations and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

2. Significant accounting policies and basis of preparation (cont.)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of the options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets/liabilities	Classification
Cash	FVTPL
Other receivables	Amortized cost
Investments	FVTPL
Accounts payable	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations and comprehensive loss in the period in which they arise.

2. Significant accounting policies and basis of preparation (cont.)

Financial instruments (cont.)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of operations and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's assets (which includes exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of operations and comprehensive loss .

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2. Significant accounting policies and basis of preparation (cont.)

Cash

Cash include cash on hand, deposits held at call with banks, and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("Flow-Through Tax Liability"). The Flow-Through Tax Liability will be reversed to the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a flow-through tax recovery as qualified expenses are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. Significant accounting policies and basis of preparation (cont.)

Restoration and environmental obligations *(cont.)*

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(Loss) earnings per share

Basic (loss) earnings per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Under this method, the basic and diluted loss per share for the year ended September 30, 2023 were the same, as the effect of common shares issuable upon the exercise of warrants and stock options of the Company would be anti-dilutive.

For the six months ended March 31, 2024 and 2023, the exercise price of the outstanding options and warrants was greater than the weighted average share price and therefore diluted loss per share equals basic loss per share.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Proceeds from unit placements are allocated between share and warrants using the residual method.

Future changes in accounting policies

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

3. Investments

		March 31, 2024			September 30, 2023		
Name	**Type**	**Number**		**Fair Value**	**Number**		**Fair Value**
MAS Gold Corp.	Common shares	47,095,000	$	470,950	47,095,000	$	706,425

MAS Gold Corp.

On March 31, 2022, the Company received net proceeds of 27,750,000 common shares of MAS Gold Corp. (TSXV: MAS, "MAS Gold") from the sale of its Preview SW Gold Project. The MAS Gold shares were received at a fair market value of $2,775,000 as of March 29, 2022.

MAS Gold Rights Offering

On June 30, 2023, the Company received 27,750,000 rights (the "MAS Gold Rights") at a fair market value of $Nil in MAS Gold. Each MAS Gold Right entitled the holder to purchase one common share in MAS Gold for $0.01 per share until September 5, 2023.

Sales of MAS Gold Shares and Rights

During the six months ended March 31, 2024, the Company did not sell any MAS Gold common shares. During the year ended September 30, 2023, the Company sold 1,655,000 MAS Gold shares for net proceeds of $32,740. During the period from June 30, 2023 to September 5, 2023, the Company sold 2,706,000 MAS Gold Rights for net proceeds of $12,920.

Exercise and Expiration of MAS Gold Rights

On September 5, 2023, the Company exercised 21,000,000 MAS Gold Rights paying $210,000 for 21,000,000 MAS Gold shares and 4,044,000 MAS Gold Rights expired unexercised. The MAS Gold Rights exercise was funded by loans from the Company's management and the MAS Gold shares that were purchased are subject to the conditions of loan agreements signed between the Company and its management (See Notes 6 and 8).

Using the most recently available financial information, the Company estimates it held a 12.3% ownership stake in MAS Gold as of March 31, 2024 (September 30, 2023 – 12.3%) and did not have significant influence as defined in IFRS IAS 28 Investments in Associates and Joint Ventures. During the six months ended March 31, 2024, the Company recorded an unrealized fair value loss on the MAS Gold shares of $235,475 (2023 - $832,500).

4. Exploration and evaluation assets

Corona Property, Mexico

During the year ended September 30, 2013, the Company completed all option requirements and earned a 50% interest in the Corona property in Mexico. During the year ended September 30, 2014, the Company wrote down the carrying value to $1. On December 7, 2015, Golden Goliath Resources Ltd. ("Golden Goliath"), which holds the other 50% interest in the Corona property, announced that it had signed an option agreement with Fresnillo PLC that includes the Corona property. During the year ended September 30, 2019, the option agreement was completed and exercised by Fresnillo PLC. The Company retains a 0.5% net smelter return on the Corona property with a nominal value of $1.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

5. Accounts payable and accrued liabilities

		March 31, 2024		September 30, 2023
Trade payables (See Note 8)	$	50,384	$	50,043
Accrued liabilities (See Note 8)		219,404		219,404
	$	**269,788**	**$**	**269,447**

6. Loans payable

On August 25, 2023, the Company's CFO loaned the Company $10,000 and on August 29, 2023, the Company's CEO loaned the Company $200,000 (See Note 8). The combined proceeds of $210,000 from the two loans were used to exercise 21,000,000 MAS Gold Rights (See Note 3). Under the terms of the loan agreements between the parties, the amounts owing under the loans together with interest at 10% per annum are secured by, and the lenders have sole recourse to, the 21,000,000 MAS Gold Shares acquired with the proceeds of the loans. The loans will be repaid on a pro rata basis through the net proceeds of any sale of these 21,000,000 MAS Gold Shares. If, following the sale of these MAS Gold Shares there are funds remaining with the Company, such funds will be used to first repay $102,975 owing to the CEO's consulting company and $65,625 to the CFO's consulting company for services provided to the Company up to December 31, 2022 on a pro rata basis, and then, if additional funds are remaining, to pay other Company debts and for corporate purposes. If there are insufficient funds from the sale of the MAS Gold Shares to repay the loans, then the remaining balance on the loans will be forgiven. For the six months ended March 31, 2024, the Company has recorded a total of $10,529 in interest expense (2023 – $Nil) that is included in the loans payable balance.

7. Share capital

Authorized share capital

The Company's share capital consists of an unlimited number of common shares without par value.

Issued share capital

At March 31, 2024, and September 30, 2023 there were 29,671,985 issued and fully paid common shares. No common shares were issued during the six months ended March 31, 2024 and year ended September 30, 2023.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

7. Share capital (cont.)

Stock options

The changes in options during the six months ended March 31, 2024 and 2023 are as follows:

	March 31, 2024		**March 31, 2023**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning	**1,100,000**	**$ 0.10**	**1,478,000**	**$ 0.11**
Issued	-	-	-	-
Options outstanding and exercisable, ending	**1,100,000**	**$ 0.10**	**1,478,000**	**$ 0.11**

During the six months ended March 31, 2024 and 2023, the Company did not issue any stock options. During the six months ended March 31, 2024 and 2023, the Company received $Nil from the exercise of Nil stock options. At March 31, 2024, the weighted average remaining contractual life of outstanding options was 1.87 years (September 30, 2023 – 2.37 years).

The following options were outstanding and vested as of March 31, 2024:

Expiry date	**Outstanding**	**Exercisable**	**Exercise price**
April 4, 2024	300,000	300,000	$0.11
October 25, 2026	800,000	800,000	$0.09
	1,100,000	**1,100,000**	

See also Note 12.

Warrants

The changes in warrants during the six months ended March 31, 2024 and 2023 are as follows:

	March 31, 2024		**March 31, 2023**	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	**4,065,300**	**$ 0.12**	**4,065,300**	**$ 0.12**
Expired	(4,065,300)	$ 0.12	-	-
Warrants outstanding, ending	**-**	**$ -**	**4,065,300**	**$ 0.12**

During the six months ended March 31, 2024 and 2023, the Company did not receive any proceeds from the exercise of warrants or issue any new warrants. On October 1, 2023, 4,065,300 outstanding warrants expired unexercised. There are no warrants outstanding at March 31, 2024. The weighted average remaining contractual life of warrants outstanding as of March 31, 2023 was 0.50 years.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

7. Share capital (cont.)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended March 31, 2024 was based on the loss attributable to common shareholders of $287,425 (2023 – $911,585) and the weighted average number of common shares outstanding of 29,671,985 (2023 – 29,671,985).

Diluted loss per share for the six months ended March 31, 2024 does not include the effect of 1,100,000 stock options (2023 – 1,478,000) and Nil share purchase warrants (2023 – 4,065,300) because the effect would be anti-dilutive.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

8. Related party transactions

The Company incurred the following transactions with respect to officers and directors of the Company or corporations controlled by them during the six months ended March 31, 2024 and 2023:

Key management personnel compensation

	Six-month period ended	
	March 31, 2024	**March 31, 2023**
Administration, director and consulting fees	$ -	$ 16,500
Management fees	-	15,000
	$ -	**$ 31,500**

Effective January 1, 2023, the Company's directors and officers have voluntarily agreed to suspend all fee payments to themselves or corporations controlled by them.

Related party balances included in accounts payable and accrued liabilities

	March 31, 2024	**September 30, 2023**
Due to officers and directors and officers for consulting fees	$ 210,980	$ 210,980
Due to officers and directors and officers for expenses	161	364
	$ 211,141	**$ 211,344**

The Company paid $6,409 for shared rent and office services including office closure costs to a company with a common director and officer during the three months ended December 31, 2022. Effective January 1, 2023, the Company is no longer sharing office space with another company.

(Expressed in Canadian dollars unless otherwise noted - Unaudited)

8. Related party transactions (cont.)

Related party balances included in loans payable

	March 31, 2024	September 30, 2023
Loan from CEO and accrued interest (See Note 6)	$ 211,781	$ 201,753
Loan from CFO and accrued interest (See Note 6)	10,600	10,099
	$ 222,381	**$ 211,852**

9. Financial instruments and risk management

The Company's financial instruments consist of cash, other receivables, investments, accounts payable and loans payable.

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's cash is measured using level 1 inputs. The fair value of the Company's investment in the shares of a public company is measured using level 1 inputs. The fair value was determined by reference to the underlying share price quoted on the open market at the reporting date.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and interest risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk is low.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. Management believes liquidity risk is high.

9. Financial instruments and risk management (cont.)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company's functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk.

10. Capital management

The Company identifies capital as cash and share capital. The Company manages its capital structure and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management.

The Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and raise additional capital as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no changes in its approach to capital management during the six months ended March 31, 2024.

11. Commitments

Agreement with President and CEO

On May 15, 2022, the Company renewed its consulting agreement with a company owned and controlled by its President and CEO for a 12-month term. Under the agreement, the CEO was paid $5,000 per month. Effective January 1, 2023, the monthly compensation was reduced to $Nil. The CEO will be able to receive a bonus of 3% of the value of any merger, reverse takeover or material asset sale that occurs during his term. In the event that no such material asset sale occurs during his term, the CEO shall be eligible to earn a bonus of up to $50,000 as determined by the Company's other board members. Effective May 15, 2023, the consulting agreement was renewed informally on a month-to-month basis, subject to the Company's right to terminate the consulting agreement on one month's notice. Under the renewed consulting agreement, the CEO's monthly fees are $Nil and in the event of a merger, reverse take over, or sale of any material assets, the CEO will be entitled to receive a bonus of 3% of the value of any such transaction.

12. Subsequent Events

On April 4, 2024, a total of 300,000 stock options with an exercise price of $0.11 expired unexercised.