ARRAS
MINERALS CORP.

Consolidated Financial Statements

For the years ended October 31, 2024 and 2023

(Expressed in United States dollars)

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ARRAS MINERALS CORP.

Opinion

We have audited the consolidated financial statements of Arras Minerals Corp. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at October 31, 2024 and 2023;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,222,750 during the year ended October 31, 2024 and, as of that date, had an accumulated deficit of $15,997,782. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michelle Chi Wai So.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 27, 2025

ARRAS MINERALS CORP.
Consolidated Statements of Financial Position
As at October 31, 2024 and 2023
(Expressed in United States Dollars)

	Notes	2024	2023
		$	$
Assets			
Current			
Cash and cash equivalents	16	1,727,459	290,684
Other receivables	4,6	102,199	11,047
Prepaid expenses and deposits	7	881,374	218,422
		2,711,032	520,153
Non-Current			
Office and equipment	8	108,828	147,179
Mineral properties	9	5,035,259	5,035,259
Right-of-use assets	11	106,507	186,388
Prepaid expenses and deposits	7	457,482	530,781
Total Assets		8,419,108	6,419,760
Liabilities			
Current			
Accounts payable and accrued liabilities	14	575,259	518,240
Lease liability	11	86,259	78,068
Due to related party	14	22,095	57,853
Warrant derivate liability	10	961,774	-
		1,645,387	654,161
Non-Current			
Lease liability	11	38,560	124,819
Total Liabilities		1,683,947	778,980
Shareholders' Equity			
Share capital	12	20,942,888	17,745,232
Reserves	12	1,790,055	1,670,580
Deficit		(15,997,782)	(13,775,032)
Total Shareholders' Equity		6,735,161	5,640,780
Total Liabilities and Shareholders' Equity		8,419,108	6,419,760

On behalf of the Board:

/s/ Brian Edgar .... Director

/s/ Christian Milau .... Director

The accompanying notes are an integral part of these in consolidated financial statements.

ARRAS MINERALS CORP.
Consolidated Statements of Comprehensive Loss
For the years ended October 31, 2024 and 2023
(Expressed in United States Dollars)

	Notes	2024	2023
		$	$
Expenses			
Exploration	4,5,8,12	1,462,757	4,083,490
Personnel	12,14	1,027,931	1,065,615
Marketing and shareholders' communication		253,920	222,469
Directors' fees	12,14	144,254	215,028
Professional services		140,956	84,944
Office and administrative	14	50,782	73,956
Depreciation	8,11	82,308	82,308
Loss from operations		(3,162,908)	(5,827,810)
Foreign currency exchange gain		52,285	36,003
Interest income		35,167	73,913
Reimbursement and management fees	4	1,140,177	-
Other income		4,716	-
Changes of fair value of warrant derivative	10	(292,187)	-
Other income		940,158	109,916
Net and Comprehensive Loss for the Year		(2,222,750)	(5,717,894)
Basic and Diluted Loss per Common Share		(0.03)	(0.09)
Weighted Average Number of Common Shares Outstanding		76,907,008	67,224,177

The accompanying notes are an integral part of these consolidated financial statements.

ARRAS MINERALS CORP.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended October 31, 2024 and 2023
(Expressed in United States Dollars)

	Share Capital		Reserves			
	Common Shares	**Amount**	**Options**	**Warrants**	**Deficit**	**Shareholders' Equity**
		$	**$**	**$**	**$**	**$**
Balance, October 31, 2023	68,504,400	17,745,232	1,386,080	284,500	(13,775,032)	5,640,780
Private placement, net of share issue costs	20,268,662	3,742,180	-	-	-	3,742,180
Shares issued on settlement of restricted share units	414,984	143,152	(143,152)	-	-	-
Share-based payment	-	-	262,627	-	-	262,627
Grant-date fair value of warrant liabilities	-	(687,676)	-	-	-	(687,676)
Net loss for the year	-	-	-	-	(2,222,750)	(2,222,750)
Balance, October 31, 2024	89,188,046	20,942,888	1,505,555	284,500	(15,997,782)	6,735,161

	Share Capital		Reserves			
	Common Shares	**Amount**	**Options**	**Warrants**	**Deficit**	**Shareholders' Equity**
		$	**$**	**$**	**$**	**$**
Balance, October 31, 2022	52,566,150	12,510,260	1,131,705	284,500	(8,057,138)	5,869,327
Private placement, net of share issue costs	15,938,250	5,234,972	-	-	-	5,234,972
Share-based payment	-	-	254,375	-	-	254,375
Net loss for the year	-	-	-	-	(5,717,894)	(5,717,894)
Balance, October 31, 2023	68,504,400	17,745,232	1,386,080	284,500	(13,775,032)	5,640,780

The accompanying notes are an integral part of these consolidated financial statements.

ARRAS MINERALS CORP.
Consolidated Statement of Cash Flows
For the years ended October 31, 2024 and 2023
(Expressed in United States Dollars)

	2024	2023
	$	$
Operating Activities		
Net loss for the year	(2,222,750)	(5,717,894)
Items not affecting cash		
Depreciation	123,867	120,212
Share-based payment	262,627	254,375
Interest expense	16,807	24,221
Changes of fair value of warrant derivative	292,187	-
Unrealized foreign exchange loss	(18,089)	-
	(1,545,351)	(5,319,086)
Changes in non-cash working capital, net of acquisition		
Other receivables	(91,152)	7,801
Prepaid expenses and deposits	(589,653)	(1,151)
Due to related party	(35,758)	34,657
Accounts payable and accrued liabilities	57,019	33,453
	(659,544)	74,760
Cash Used in Operating Activities	(2,204,895)	(5,244,326)
Financing Activities		
Issuance of common share units, net of share issue costs	3,742,180	5,234,972
Repayment of lease liability	(94,875)	(94,875)
Cash Provided by Financing Activities	3,647,305	5,140,097
Investing Activity		
Purchase of office and equipment	(5,635)	(29,211)
Cash Used in Investing Activity	(5,635)	(29,211)
Net Change in Cash and Cash Equivalents	1,436,775	(133,440)
Cash and Cash Equivalents, Beginning of Year	290,684	424,124
Cash and Cash Equivalents, End of Year	**1,727,459**	**290,684**

Supplemental Cash Flow Information (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Arras Minerals Corp. (the "Company") was incorporated on February 5, 2021 under the *Business Corporations Act* (British Columbia) as part of an asset purchase agreement to reorganize Silver Bull Resources, Inc. ("Silver Bull") as described in Note 5. The Company's head office is located at 1605-777 Dunsmuir Street, Vancouver, British Columbia, Canada, V7Y 1K4.

The Company is engaged in the acquisition, exploration, and development of mineral property interests in Kazakhstan. On February 3, 2022, the Company purchased 100% of the issued and outstanding shares of Ekidos Minerals LLP ("Ekidos") and Ekidos became a wholly owned subsidiary of the Company. Total consideration was $1,000 and $5,315,000 loan receivable as described in Notes 5 and 9. Ekidos is in the business of the exploration and evaluation of mineral properties.

On February 10, 2023, Arras Metals Ltd. ("Arras Metals") was incorporated at Astana International Financial Centre in Astana, Republic of Kazakhstan, as a wholly owned subsidiary of the Company, for the purpose of holding mineral exploration investments.

The Company's assets consist primarily of the option to acquire a 100% interest in the Beskauga property ("Beskauga") in Kazakhstan, and conducts its operations through Ekidos, who holds exploration licenses for properties located in northeastern Kazakhstan.

The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

These consolidated financial statements are prepared on a going concern basis, which contemplate that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred operating losses since inception and has no current sources of revenue or cash inflows from operations. The Company incurred a net loss of $2,222,750 (2023 - $5,717,894) during the year ended October 31, 2024 and, as of that date, had an accumulated deficit of $15,997,782 (2023 - $13,775,032). The Company's net loss and deficit may cast significant doubt on the validity of the going concern assumption. The Company relies on equity issuances in order to fund its exploration and other business objectives. During the year ended October 31, 2024, the Company raised gross amounts of $3.85 million United States dollars ("$USD") ($5.27 million Canadian dollars ("$CDN")) through the issuance of common share units. The Company had cash and cash equivalents of $1.7 million and $0.3 million as of October 31, 2024 and 2023, respectively.

The Company's ability to continue as a going concern and fulfill its commitments under the Beskauga option agreement and exploration licenses is dependent upon successful execution of its business plan, raising additional capital, or evaluating other strategic alternatives, such as with Teck Resources Limited ("Teck") (Note 4). The Company expects to continue to raise the necessary funds primarily through equity issuances and funding from strategic partners. There can be no guarantees that future equity financing will be available, in which case the Company may need to reduce its exploration activities. There can be no assurance that management's plan will be successful. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") appliable to the preparation of financial statements.

These consolidated financial statements are presented in $USD, which is the Company's and its subsidiaries' functional currency.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative figures have been reclassified to conform to the presentation in the current period. Such reclassifications were not considered significant.

c) Approval of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2025.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied in these consolidated financial statements.

a) Foreign currency translation

Consolidated statement of financial position: monetary assets and liabilities are translated into USD using period end exchange rates. Non-monetary assets and liabilities are translated into USD using historical exchange rates. All exchange differences are recognized in profit or loss.

Consolidated statement of comprehensive loss: income, expenses, and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). All exchange differences are recognized in profit or loss.

b) Financial instruments

Recognition and measurement of financial assets
The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Classification of financial assets
The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

i. Financial assets measured at amortized cost
A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. As at October 31, 2024 and 2023, the Company has no financial assets as amortized cost.

ii. Financial assets measured at fair value through other comprehensive income (“FVTOCI”)
A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income. As at October 31, 2024 and 2023, the Company has no financial assets as FVTOCI.

iii. Financial assets measured at fair value through profit or loss (“FVTPL”)
A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company classifies its cash and cash equivalents as fair value through profit or loss.

Derecognition of financial assets
The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Recognition and measurement of financial liabilities
The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

Classification of Financial Liabilities
The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

i. Financial liabilities measured at amortized cost
A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, lease liability and due to related party as amortized cost.

ii. Financial liabilities measured at fair value through profit or loss
A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. As at October 31, 2024, the Company recorded changes of fair value of warrant derivate through profit or loss.

Derecognition of financial liabilities
The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

c) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significant of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents, accounts payable and accrued liabilities, and due to related party. The carrying values approximate the fair values due to the short-term maturity of these instruments. There were no transfers between fair value levels during the years ended October 31, 2024 and 2023. The lease liability and warrant derivative liability are classified as Level 3 financial instruments.

d) Mineral properties

Costs directly related to the acquisition of mineral properties are capitalized. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration, evaluation and property maintenance costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are expensed as incurred up to the date of establishing that property costs are economically recoverable and that the project is technically feasible.

Mineral properties are not subject to depletion or amortization, but rather are tested for impairment when circumstances indicate that the carrying value may not be recoverable.

Development expenditures are those incurred subsequent to the establishment of economic recoverability and after receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent upon the Company obtaining sufficient financial resources, permits, and licenses to develop the mineral property. Development costs are capitalized and included in the carrying amount of the related property.

Mineral property and mine development costs capitalized are amortized using the units-of-production method over the estimated life of the proven and probable reserves.

e) Office and equipment

Items of office and equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management, including estimated decommissioning and restoration costs and, where applicable, borrowing costs. If significant parts of an item of office and equipment have different useful lives, then they are accounted for as separate items (major components) of office and equipment.

No depreciation is recorded until the asset is substantially complete and ready for use. Capital assets are depreciated over their estimated useful lives as follows:

Mining equipment	Straight-line over five years
Computer equipment and software	Straight-line over one year
Vehicles	Straight-line over five to ten years
Office equipment	Straight-line over three years

f) Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including mineral properties and office and equipment every reporting period. If there is any indication that the assets or Cash-Generating Units (the "CGU") may not be fully recoverable, the recoverable amount of the asset or CGU is estimated in order to determine the extent of the impairment loss, if any. CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those at market. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

g) Share-based compensation

The Company's stock option plan (Note 12) allows the Company's employees, directors, officers and service providers to acquire shares of the Company. The fair value of options granted is recognized as share-based payment expense with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Where stock options are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Share-based payment expense is recognized over the tranche's vesting period by a charge to profit or loss. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to service providers and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Equity-settled share-based compensation arrangements such as the Company's stock option plan and restricted share unit ("RSUs") plan are measured at fair value at the date of grant and recorded within equity. The restricted share unit plan includes restricted share units without performance-based criteria. The fair value at grant date of all share-based compensation is recognized as compensation expense over the vesting period, with a corresponding credit to shareholders' equity. The amount recognized as an expense is adjusted to reflect share options forfeited.

h) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or financial liability. The Company's common shares and warrants are classified as equity instruments. Share issuance costs are recorded against share proceeds.

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods.

j) Principle of consolidation

Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align with the policies adopted by the Company. All intercompany balances are eliminated on consolidation.

The consolidated financial statements include accounts of the Company and its wholly owned subsidiaries, Ekidos, from the date of acquisition on February 3, 2022 and Arras Metals from the date of incorporation.

k) Leases

As per IFRS 16 *Leases* ("IFRS 16"), at inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months, or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments,plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certainremeasurements of the lease liability. The ROU asset is amortized from thecommencement date over the shorter of the lease term or the useful life of the underlyingas set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Company is reasonably certain to exercise;
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease unless the Company is reasonably certainnot to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certainto be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initialmeasurement of the ROU asset and lease liability are recognized as an expense in profit or loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statement of financial position.

l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and highly liquid investments with an original maturity of three months or less.

m) Warrants derivative liability

The Company classifies warrants on its consolidated balance sheets as a derivative liability which is fair valued at each reporting period subsequent to the initial issuance, as the functional currency of the Company is the U.S. dollar and the exercise price of the warrants is $CDN. The Company has used the Monte Carlo pricing model to fair value the warrants as they have an acceleration feature. Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The estimated volatility of the Company's common shares at the date of issuance, and at each subsequent reporting period, is based on the historical volatility adjusted to reflect the implicit discount to historical volatilities observed in the prices of traded warrants. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the warrants at the valuation date. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend yield is expected to be none as the Company has not paid dividends nor does the Company anticipate paying any dividend in the foreseeable future.

The derivative is not traded in an active market, and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period.

n) New standards adopted

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Making Materiality Judgments” aiming to improve accounting policy disclosures. The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments reduces the disclosure of the Company’s accounting policies.

o) New standards not yet adopted

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027. Retrospective application is required and early application is permitted.

The Company is currently assessing the effect of this new standard on its consolidated financial statements.

Other recent accounting pronouncements issued by the IASB did not or are not expected to have a significant impact on the Company’s present or future consolidated financial statements.

p) Critical accounting estimates, judgments and assumptions

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

i) Determination of functional currency

The determination of the Company’s and its subsidiaries’ functional currency is a matter of judgment based on an assessment of the specific facts and circumstances relevant to determining the primary economic environment of the Company. The Company reconsiders the functional currencies used when there is a change in events and conditions considered in determining the primary economic environment of the entities.

ii) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that cast substantial doubt upon the Company’s ability to continue as a going concern.

iii) Indicators of impairment

Judgment is required in assessing whether certain factors would be considered an indicator of impairment. The Company considers both external and internal sources of information in assessing whether there are any indications that the Company’s assets are impaired, or reversal of impairment is needed. Factors considered include current and forecast economic conditions, internal projections and the Company’s market capitalization relative to its net asset carrying amount.

iv) Share-based payments

The computation amount of share-based compensation is not based on historical cost but is derived based on subjective assumptions input into appropriate option pricing model to determine fair value at granting and the reporting dates. The model requires management to make forecasts as to future events, including estimates of: expected price volatility, the average future hold period of options and units, and the appropriate risk-free rate of interest. Changes in these input assumptions can significantly affect the fair value estimate.

v) Determination of the fair value of the warrant derivative liability

The Company’s warrant derivative liability is classified within Level three of the fair value hierarchy due to the use of significant observable inputs in determining its fair value. The fair value of the warrant derivative liability is estimated using the Monte Carlo price model, which requires management to make certain significant estimates and assumptions including expected volatility, risk-free interest rate, expect term and dividend yield.

Due to the complexity of the valuation model and the significant judgment involved in determining these inputs, changes in these assumptions could materially impact the fair value of the warrant derivative liability and the associated comprehensive loss recognized in the Company’s consolidated financial statements. The Company reassesses the fair value of the warrant derivative liability at each reporting period, with changes in fair value recognized in the consolidated statement of comprehensive loss under changes of fair value of warrant derivative (Note 10).

vi) Related party transactions

Silver Bull incurs certain expenditures on behalf of the Company (Note 14). If specific identification of the expenses is not practicable, a proportional cost allocation based on management's estimation is applied. A change to the cost allocation could impact the Company's operating expenses.

4. TECK ALLIANCE AGREEMENT

On December 6, 2023, the Company entered into the Teck Alliance Agreement and received $1,497,668 cash, including $1 million for the reimbursement of certain related expenses made by the Company prior to the Teck Alliance Agreement and $497,668 for exploration activities expected to be committed to or completed by December 31, 2023. Upon the terms and subject to the conditions set forth in the Teck Alliance Agreement, in order for Teck to earn and maintain its option, Teck must incur $5 million in exploration expenditures on two licenses packages totaling approximately 1,736 square kilometers located in Pavlodar, Kazakhstan by December 31, 2025 (the “Initial Exploration Period”). Of this, $2 million is a firm commitment to be completed in calendar year 2024. Arras is initially acting as manager of the projects under the Teck Alliance Agreement and Teck is expected to fund the projects on a quarterly basis based on an agreed upon project budget.

(Expressed in United States dollars)

On the completion of the Initial Exploration Period, Teck may exercise an option in the Teck Alliance Agreement by selecting up to four designated properties up to 120 square kilometers each. Teck must pay $500,000 for each designated property to the Company as an additional reimbursement for the previously invested exploration expenditures. Teck agrees to pay to the Company a management fee for administrative services between 5% to 10% of certain exploration expenditures, excluding capital asset purchases. During the year ended October 31, 2024, $140,177 was received and recognized as management fees.

Teck will have three options to earn and maintain its option:

- "First Option": Teck may elect to solely fund $5.5 million over the next two years ($2.5 million committed in Year 1) and on completion will be deemed to own 51% of the designated property;
- "Second Option": Teck may elect to solely fund $18 million over the next three years ($5 million committed in Year 1) to earn an additional 14% (total of 65%) of the designated property; or
- "Third Option": Teck may elect to solely fund $24 million over four years ($6 million committed in Year 1) to earn an additional 10% (total of 75%) of the designated property.

If Teck elects not to continue with the Teck Alliance Agreement before December 31, 2025, the licenses will remain 100% owned by the Company. If the Teck Alliance Agreement is terminated by Teck without cause at the Initial Exploration Period, the Company is under no obligation to reimburse Teck for amounts contributed under the Teck Alliance Agreement.

As of October 31, 2024, $85,517 incurred in relation to the Teck Alliance Agreement was unpaid by Teck, therefore the Company recorded this amount as other receivables:

Funding from Teck during the year	$	2,388,216
Expenditures incurred during the year		(2,473,733)
Other receivables as of October 31, 2024	$	85,517

During the year ended October 31, 2024 and 2023, the Company incurred the following exploration expenditures:

		2024		**2023**
Total exploration expenditures	$	3,936,490	$	4,083,490
Expenditures incurred under Teck agreement		-		-
Exploration expenditure		(2,297,225)		-
Office and equipment		(176,508)		-
	$	1,462,757	$	4,083,490

During the year ended October 31, 2024, the Company recorded the following income and reimbursement pursuant to the Teck Alliance Agreement:

Reimbursement	$	1,000,000
Management fees		140,177
Income and reimbursement	$	1,140,177

(Expressed in United States dollars)

5. BESKAUGA OPTION AGREEMENT

On August 12, 2020, Silver Bull entered into the Beskauga Option Agreement with Copperbelt AG ("Copperbelt") pursuant to which it has the exclusive right and option to acquire Copperbelt's right, title and 100% interest in the Beskauga property located in Kazakhstan. Upon completion of Silver Bull's due diligence on January 26, 2021, the Beskauga Option Agreement was finalized (the "Closing Date").

On March 19, 2021, pursuant to an asset purchase agreement, Silver Bull transferred all its rights, title and interest in and to the Beskauga Option Agreement to the Company. The consideration payable by the Company to Silver Bull for the purchased assets was $1,367,668, paid through the issuance of 36,000,000 common shares of common shares in the capital of the Company.

Under the terms of the Beskauga Option Agreement, the exploration expenditure requirements and incurred are summarized as follows:

Period	Annual Expenditure Required	Cumulative Expenditure Required	Annual Expenditure Incurred	Cumulative Expenditure Incurred
By January 26, 2022 (1 year from Closing Date)	$2 million	$2 million (met)	$4.50 million	$4.50 million
By January 26, 2023 (2 years from Closing Date)	$3 million	$5 million (met)	$3.42 million	$7.92 million
By January 26, 2024 (3 years from Closing Date)	$5 million	$10 million (met)	$2.85 million	$10.77 million
By January 26, 2025 (4 years from Closing Date)	$5 million	$15 million	$3.66 million	$14.43million

As of October 31, 2024, approximately $14.43 million of the required expenditures have been incurred under the Beskauga Option Agreement, via investment agreements with Dostyk LLP, the holder of the Beskauga exploration license. The expenditures have been incurred via (i) investment agreements with Dostyk LLP, the holder of the Beskauga exploration license, (ii) expenditure incurred by Arras, and (iii) expenditures incurred by Ekidos in relation to the Stepnoe and Ekidos properties. The amounts funded under the investment agreements with Dostyk are non-interest bearing and the Company does not expect the investments to be repaid.

The Beskauga Option Agreement also provides that subject to the terms and conditions, after the Company or its affiliate has incurred the exploration expenditures (outlined above), the Company or its affiliate may exercise the Beskauga Option and acquire (i) the Beskauga Property by paying Copperbelt $15,000,000 in cash, (ii) the Beskauga Main Project only by paying Copperbelt $13,500,000 in cash, or (iii) the Beskauga South Project only by paying Copperbelt $1,500,000 in cash.

In addition, the Beskauga Option Agreement provides that subject to the terms and conditions, the Company or its affiliate may be obligated to make the following bonus payments (collectively, the "Bonus Payments") to Copperbelt if the Beskauga Main Project or the Beskauga South Project is the subject of a bankable feasibility study in compliance with Canadian National Instrument 43-101 indicating gold equivalent resources in the amounts set forth below, with (i) (A) 20% of the Bonus Payments payable after completion of the bankable feasibility study or after the mineral resource statement is finally determined and (B) the remaining 80% of the Bonus Payments due within 15 business days of commencement of on-site construction of a mine for the Beskauga Main Project or the Beskauga South Project, as applicable, and (ii) up to 50% of the Bonus Payments payable in shares of the Company's common shares to be valued at the 20-day volume-weighted average trading price of the shares on the Toronto Stock Exchange calculated as of the date immediately preceding the date such shares are issued:

(Expressed in United States dollars)

Gold equivalent resources	Cumulative Bonus Payments
Beskauga Main Project	
3,000,000 ounces	$2,000,000
5,000,000 ounces	$6,000,000
7,000,000 ounces	$12,000,000
10,000,000 ounces	$20,000,000
Beskauga South Project	
2,000,000 ounces	$2,000,000
3,000,000 ounces	$5,000,000
4,000,000 ounces	$8,000,000
5,000,000 ounces	$12,000,000

The Beskauga Option Agreement may be terminated under certain circumstances, including (i) upon the mutual written agreement of the Company and Copperbelt; (ii) upon the delivery of written notice by the Company, provided that at the time of delivery of such notice, unless there has been a material breach of a representation or warranty given by Copperbelt that has not been cured, the Beskauga Property is in good standing; or (iii) if there is a material breach by a party of its obligations under the Beskauga Option Agreement and the other party has provided written notice of such material breach, which is incapable of being cured or remains uncured.

6. OTHER RECEIVABLES

		2024		2023
Receivable from Teck (Note 4)	$	85,517	$	-
Goods and services Taxes Credit (“GST”)		15,150		11,047
Other		1,532		-
	$	102,199	$	11,047

7. PREPAID EXPENSES AND DEPOSITS

		October 31, 2024		October 31, 2023
General insurance	$	29,663	$	29,229
Other prepaid deposits - current		752,725		71,349
Exploration license insurance - current		98,986		117,844
Prepaid expenses and deposits – current		881,374		218,422
Prepaid deposits - non-current		33,482		33,481
Exploration license insurance - non-current		424,000		497,300
Prepaid expenses and deposits – non-current		457,482		530,781
Total prepaid expenses and deposits	$	1,338,856	$	749,203

The terms of the exploration license insurance agreements are equal to the terms of the exploration licenses (six years) plus two years from the effective dates.

(Expressed in United States dollars)

8. OFFICE AND EQUIPMENT

	Mining Equipment	Computer Equipment and Software	Office Equipment	Vehicles	Total
Cost					
Balance, October 31, 2022	$ 117,502	$ 9,331	$ 7,282	$ 78,687	$ 212,802
Additions	4,666	-	-	24,545	29,211
Balance, October 31, 2023	122,168	9,331	7,282	103,232	242,013
Additions	5,635	-		-	5,635
Balance, October 31, 2024	$ 127,803	$ 9,331	$ 7,282	$ 103,232	$ 247,648
Accumulated depreciation					
Balance, October 31, 2022	$ 37,533	$ 9,331	$ 1,618	$ 6,020	$ 54,502
Depreciation expense	24,200	-	2,427	13,705	40,332
Balance, October 31, 2023	61,733	9,331	4,045	19,725	94,834
Depreciation expense	24,903	-	2,427	16,656	43,986
Balance, October 31, 2024	$ 86,636	$ 9,331	$ 6,472	$ 36,381	$ 138,820
Net book value					
Balance, October 31, 2023	$ 60,435	$ -	$ 3,237	$ 83,507	$ 147,179
Balance, October 31, 2024	$ 41,167	$ -	$ 810	$ 66,851	$ 108,828

During the year ended October 31, 2024, the Company recorded $41,559 (2023 - $37,905) of depreciation on mining equipment and vehicles in exploration expenses.

9. MINERAL PROPERTIES

The Company, through the asset purchase agreement, entered into an option agreement dated August 12, 2020 with Copperbelt, to earn up to a 100% interest in the Beskauga project and through acquisition of Ekidos, which holds other exploration licenses located in Kazakhstan (Note 5).

As of October 31, 2024, a balance of $5,035,259 is recorded as mineral property assets.

Balance, October 31, 2024 and October 31, 2023	$ 5,035,259

Additionally, the Company holds its interest in the Stepnoe and Ekidos properties through the Stepnoe and Ekidos Joint Venture Agreement (the “Stepnoe and Ekidos JV Agreement”), and the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties through the Maikain Joint Venture Agreement (the “Maikain JV Agreement”).

The Company also holds interest in the Tay, Azhe 1, Karatal 1, 2 and 3, Beskauga West and Beskauga East properties.

Stepnoe and Ekidos JV Agreement

In connection with the spin-off and pursuant to the Separation and Distribution Agreement (Note 5), Silver Bull transferred its interest in the Stepnoe and Ekidos JV Agreement to Arras.

On September 1, 2020, Silver Bull entered into the Stepnoe and Ekidos JV Agreement in connection with, among other things, mineral license applications (the “Stepnoe and Ekidos Licenses”) for, and further exploration and evaluation of certain properties, including the Stepnoe and Ekidos properties located in Kazakhstan. The exploration licenses for the Stepnoe and Ekidos properties were granted on October 22, 2020.

The Company (through Ekidos LLP) and Copperbelt have initial participating interests in the joint venture of 80% and 20%, respectively. Pursuant to the Stepnoe and Ekidos JV Agreement, once the Company spends a minimum of $3,000,000 on either the Stepnoe or Ekidos property, the Company has the option to acquire Copperbelt's participating interest in such property for $1,500,000. As of October 31, 2024, approximately $1,874,000 (2023 - $1,219,000) of the required expenditures have been incurred under the Beskauga Option Agreement (Note 5).

The Stepnoe and Ekidos JV Agreement shall terminate automatically upon there being one participant in the joint venture, or by written agreement between the parties.

On November 11, 2023, the Stepnoe and Ekidos JV Agreement was amended to allow for financing and third-party support of exploration and development activities on some or all of the JV licenses.

Maikain JV Agreement

On May 20, 2021, Ekidos LLP entered into the Maikain JV Agreement with Orogen LLP, a company incorporated under the laws of Kazakhstan, in connection with, among other things, mineral license applications for, and further exploration and evaluation of, certain properties in an area of interest, including the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties located in Kazakhstan. The exploration licenses have been granted for an initial six-year period, with the possibility of a five-year extension.

The Company (through Ekidos LLP) and Orogen LLP have initial participating interests in the Maikain joint venture of 80% and 20%, respectively. Pursuant to the Maikain JV Agreement, once the Company spends a minimum of $3,000,000 on a property in the area of interest, the Company has the option to acquire Orogen LLP's participating interest in such property for $1,500,000. As of October 31, 2024, approximately $3,630,000 (2023 - $1,534,000) of the required expenditures have been incurred.

On November 11, 2023, the Maikain JV Agreement was amended to accommodate the Teck Alliance Agreement to allow for third-party financing and support of exploration and development activities on some or all of the JV licenses. The amended agreement also clarified that the Maikain JV Agreement shall not terminate and will continue in full force and effect with respect to any mineral licenses held by or on behalf of the Maikain joint venture as of the date of expiry (May 20, 2024).

10. WARRANT DERIVATIVE LIABILITY

In connection with the $CDN 0.26 Unit private placement completed on June 6, 2024, the Company issued 10,134,330 $CDN 0.40 Warrants ("$CDN 0.40 Warrant") (Note 12 (b)). Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $CDN 0.40 for a period of 36 months from the closing of the private placement. In the event the volume weighted average trading price of the Common Shares on the TSXV meets or exceeds $CDN $0.60 for any continuous fifteen trading day period at any time after four months and one day following closing of the private placement, the Company shall have the option, but not the obligation, at any time thereafter to accelerate the expiry date to a date that is thirty days following the date of issuance of a press release by the Company announcing the acceleration of the expiry date.

(Expressed in United States dollars)

A continuity of the Company's shares issuable for June 2024 CDN$ 0.40 Warrants is as follows:

	Warrants		Weighted Average Exercise Price
Balance, October 31, 2022 and 2023	-		-
Issued	10,134,330	$	CDN 0.40 (0.29)
Outstanding and exercisable at October 31, 2024	10,134,330	$	CDN 0.40 (0.29)

Expiry Date	Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Life
June 6, 2027	$CDN 0.40 (0.29)	10,134,330	2.60

		October 31, 2024
Balance, opening	$	-
Initial recognition		687,676
Change in fair value		292,187
Effect of movements on exchange rates		(18,089)
Balance, closing	$	961,774

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through profit and loss. As these warrants are exercised, the fair value at the date of exercise and the associated non-cash liability will be included in the share capital along with the proceeds from the exercise. If these warrants expire, the non-cash warrant liability is reversed through the profit and loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

The $CDN 0.40 Warrants are considered derivative liabilities, as the currency denomination of the exercise price is different from the functional currency of the Company. Due to the non-standard nature of the $CDN 0.40 Warrants, which have an accelerated exercise provision, the closed form Black Scholes model cannot be used. As such, a Monte Carlo valuation model was used to determine the fair value. The Company determined the allocated fair value of $CDN 0.40 Warrants at the date of issuance ($687,676) using the Monte Carlo valuation model with the following assumptions:

	$CDN 0.40 Warrants
Share price on date of issuance	$CDN 0.29
Strike Price	$CDN 0.40
Risk-free interest rate	3.80%
Expected volatility	99%
Expected life (in years)	3
Forfeiture rate	nil
Expected dividend	nil
Exchange rate ($USD to $CDN)	1.3686
Number of Simulations	1,000

(Expressed in United States dollars)

The fair value of the CDN $0.40 Warrants was revalued as of October 31, 2024 ($961,774) using the Monte Carlo valuation model with the following assumptions:

	$CDN 0.40 Warrants
Share price on date on October 31, 2024	$CDN 0.32
Strike Price	$CDN 0.40
Risk-free interest rate	3.05%
Expected volatility	94%
Expected life (in years)	2.60
Forfeiture rate	Nil
Expected dividend	Nil
Exchange rate ($USD to $CDN)	1.3916
Number of Simulations	1,000

As a result of the revaluation, the Company recognized $292,187 changes of fair value related to the CDN $0.40 Warrants in the consolidated statements of comprehensive loss during the year ended October 31, 2024.

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company entered into a lease agreement for its corporate head office commencing March 1, 2022, until February 28, 2026. Upon entering into this lease, the Company recognized a right-of use (“ROU”) asset in the amount of $319,521, and a corresponding lease liability in the same amount ($319,521). The lease liability is measured at amortized cost using the incremental borrowing rate of 10.02%.

The continuity of the ROU asset and lease liability for the years ended October 31, 2024 and 2023 is as follows:

Right-of-use asset		
Value of ROU asset as of October 31, 2022	$	266,268
Depreciation		(79,880)
Value of ROU asset as of October 31, 2023		186,388
Depreciation		(79,881)
Value of ROU asset as of October 31, 2024	$	106,507

Lease liability		
Lease liability recognized as of October 31, 2022	$	273,541
Lease payments		(94,875)
Lease interest		24,221
Lease liability recognized as of October 31, 2023		202,887
Lease payments		(94,875)
Lease interest		16,807
Lease liability recognized as of October 31, 2024	$	124,819
Current portion	$	86,259
Non-current portion		38,560
Closing balance	$	124,819

(Expressed in United States dollars)

Undiscounted lease payment obligations		
Less than one year	$	99,471
Greater than one year		33,349
Total undiscounted lease liabilities	$	132,820

12. SHARE CAPITAL

a) Authorized

Unlimited number of common shares and an unlimited number of preferred shares, without par value.

b) Issued and outstanding

Preferred shares

No preferred shares have been issued.

Common shares

As of October 31, 2024 and 2023, there were 89,188,046 and 68,504,400 common shares issued and outstanding, respectively.

During the year ended October 31, 2024, the following transactions occurred:

On June 6, 2024, the Company completed a private placement for 20,268,662 units at an issuance price of $CDN 0.26 per unit (the “$CDN 0.26 Unit”) for gross proceeds of $3,850,542 ($CDN 5,269,852). Each CDN $0.26 Unit consists of one common share and one half of one transferable common share purchase warrant. Each $CDN 0.40 Warrant entitles the holder thereof to acquire one common share at a price of $CDN 0.40 for a period of 36 months from the closing of the private placement (Note 10). The Company paid finders’ fees totaling $60,110 to agents with respect to certain purchasers who were introduced by these agents. In addition, the Company incurred other offering costs of approximately $48,252.

On March 14, 2024, 414,984 RSUs that were granted in 2023 were settled as common shares of the Company.

During the year ended October 31, 2023, the following transactions occurred:

From November 10, 2022 to December 16, 2022, the Company completed a series of tranches of a private placement, issuing a total of 15,938,250 common shares at a price of CDN $0.45 per common share for gross proceeds of $CDN 7,172,213 ($5,340,350). The Company paid finder’s fees totaling $CDN ,432 ($61,629) to agents with respect to certain purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of $43,749.

Shares held in escrow

As a requirement of the Company’s listing on the TSX Venture Exchange on June 14, 2022 (the “Listing Date”), certain directors, officers and their affiliates were required to have their shares held in escrow by the Company’s transfer agent.

(Expressed in United States dollars)

As at October 31, 2024, 749,691 (2023 - 1,499,374) of the Company's common shares were held in escrow, to be released as follows:

- 1/2 of remaining escrow securities on December 14, 2024 (the 30-month anniversary of the Listing Date); and
- The remaining escrow securities on June 14, 2025 (the 36-month anniversary of the Listing Date).

c) Stock options

Pursuant to the Company's Equity Incentive Plan (the "Plan") approved by the Board of Directors, the Company grants stock options to employees, directors, officers and advisors. Under the Plan, options can be granted for a maximum term of ten years and the stock options shall vest in three equal installments, with one third of the options vesting on each of the grant date, the first-year anniversary of the grant date and the second anniversary of the grant date, unless otherwise designated by the Board. Further, the exercise price shall not be less than the price of the Company's common shares on the date of the stock option grant.

During the year ended October 31, 2024, the Company granted options to acquire 500,000 common shares with a weighted-average grant-date fair value of $0.16 per share and an exercise price of $0.26 (CDN $0.35) per share. Two-thirds vested immediately, and the remaining one-third vests one year from grant date.

No options were exercised during the year ended October 31, 2024.

No options were granted or exercised during the year ended October 31, 2023.

Stock option transactions are summarized as follows:

	Number of Options		**Weighted Average Exercise Price**
Balance, October 31, 2022	5,460,000	$	0.39 ($CDN 0.53)
Cancelled	(300,000)		0.40 ($CDN 0.50)
Balance, October 31, 2023	5,160,000		0.38 ($CDN 0.53)
Granted	500,000		0.25 ($CDN 0.35)
Balance, October 31, 2024	5,660,000	$	0.37 ($CDN 0.51)

(Expressed in United States dollars)

The following options were outstanding and exercisable at October 31, 2024:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026	$CDN 0.50 ($0.36)	3,500,000	3,500,000	1.45
August 5, 2021	August 4, 2026	$CDN 0.50 ($0.36)	800,000	800,000	1.76
September 24, 2021	September 23, 2026	$CDN 0.50 ($0.36)	160,000	160,000	1.90
December 7, 2021	December 7, 2026	$CDN 1.00 ($0.72)	100,000	100,000	2.10
March 2, 2022	March 2, 2027	$CDN 1.00 ($0.72)	300,000	300,000	2.33
September 22, 2022	September 22, 2027	$CDN 0.35 ($0.25)	300,000	300,000	2.89
September 26, 2024	September 22, 2029	$CDN 0.35 ($0.25)	500,000	333,333	4.91
			5,660,000	5,493,333	1.95

The following options were outstanding and exercisable at October 31, 2023:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026	$CDN 0.50 ($0.36)	3,500,000	3,500,000	2.45
August 5, 2021	August 4, 2026	$CDN 0.50 ($0.36)	800,000	800,000	2.76
September 24, 2021	September 23, 2026	$CDN 0.50 ($0.36)	160,000	160,000	2.90
December 7, 2021	December 7, 2026	$CDN 1.00 ($0.72)	100,000	66,666	3.10
March 2, 2022	March 2, 2027	$CDN 1.00 ($0.72)	300,000	200,000	3.34
September 22, 2022	September 22, 2027	$CDN 0.35 ($0.25)	300,000	200,000	3.90
			5,160,000	4,926,666	2.66

The weighted average remaining contractual life for options outstanding is 1.95 years and 2.66 years, ended October 31, 2024 and 2023, respectively.

The total fair value of options granted during the year ended October 31, 2024, was $76,965 (2023 - $nil), of which $54,296 (2023 - $nil) was recognized in share-based payments in the consolidated statement of comprehensive loss with a corresponding increase in reserves. The remaining amount of $22,669 (2023 - $nil) will be expensed as the remaining unvested options vest.

As of October 31, 2024, there is a total remaining unrecognized compensation expenses of $22,669 (2023 - $16,410) which will be expensed in future reporting periods.

Total share-based payments recognized during the year ended October 31, 2024, was $70,705 (2023 - $156,718) which was expensed in the consolidated statements of loss and comprehensive loss.

(Expressed in United States dollars)

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for its stock options granted. Accordingly, share-based payments of $nil (2023 - $54,922) were recognized as personnel expenses for options granted to employees, $15,719 (2023 - $86,145) were recognized in directors' fees for options granted to directors and $54,985 (2023 - $15,651) was recognized as exploration for options granted to employees and consultants for the year ended October 31, 2024.

A summary of the range of assumptions used to value stock options granted for the years ended October 31, 2024 and 2023 is as follows:

Options	**For the Year Ended October 31, 2024**	**For the Year Ended October 31, 2023**
Expected volatility	85% - 88%	—
Risk-free interest rate	2.9% - 2.85%	—
Expected life (in years)	3 - 4 years	—
Dividend rate	—	—

The expected volatility assumption is based on the historical and implied volatility of the comparable companies' common share price. The risk-free interest rate assumption is based on yield curves on government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of comprehensive loss.

d) Restricted shares units ("RSUs")

On February 27, 2024, the Company granted 1,495,484 RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was $CDN 0.195. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date.

On February 24, 2023, the Company granted 414,984 equity-settled RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was $CDN 0.47. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date. On March 14, 2024, 414,984 RSUs were settled as common shares of the Company.

Compensation expense for RSUs was $191,923 for the year ended October 31, 2024 (2023 - $97,657) and is presented as personnel costs.

(Expressed in United States dollars)

At October 31, 2024, the following RSUs were outstanding:

	Number of RSUs Outstanding		Fair Value Per Arras Share issuable
Balance, October 31, 2022	-	$CDN	-
Granted	414,984		0.47
Balance, October 31, 2023	414,984	$CDN	0.47
Granted	1,495,484		0.195
Settled	(414,984)		0.47
Outstanding at October 31, 2024	1,495,484	$CDN	0.195

e) Shares issuable for Silver Bull Warrants and CDN $0.40 Warrant

On March 19, 2021, pursuant to an asset purchase agreement with Silver Bull, a majority shareholder (88% interest at the time) and related party, Silver Bull transferred all of its rights, title and interest in and to the Beskauga Option Agreement, as described in Note 5, to the Company. On September 24, 2021, pursuant to a Separation and Distribution Agreement, Silver Bull distributed to its shareholders one common share of the Company for each Silver Bull common share held by such shareholders, or 34,547,838 common shares of the Company in total (the "Distribution").

Further, Silver Bull warrant holders will receive, upon exercise of any Silver Bull warrant (the "Silver Bull Warrants"), for the original exercise price, one Silver Bull common share and one common share of the Company. The Company will receive $0.25 of the proceeds from the exercise of each of these Silver Bull Warrants. A total of 1,971,289 Silver Bull Warrants were outstanding at the time of the Distribution which, if all exercised, would require the Company to issue 1,971,289 common shares for proceeds of $492,822.

A continuity of the Company's shares issuable for Silver Bull Warrants is as follows:

	Warrants		Weighted Average Exercise Price Per Arras share issuable		Weighted Average Exercise Price Per Silver Bull Share issuable
Balance, October 31, 2022	1,971,289	$	0.25	$	0.34
Balance, October 31, 2024 and 2023	1,971,289	$	0.25	$	0.34

In connection with CDN $0.26 Unit private placement completed on June 6, 2024, the Company issued 10,134,330 share CDN $0.40 Warrants (Notes 10 and 12(b)).

No warrants were issued or exercised during the year ended 2023.

The following warrants were outstanding at October 31, 2024:

Expiry Date	Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Life
October 27, 2025	$0.25	1,971,289	0.99
June 6, 2027	$0.28 ($CDN 0.40)	10,134,330	2.60
	$0.28	12,105,619	2.34

(Expressed in United States dollars)

13. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27.00% to loss before income taxes.

	For the Year Ended October 31, 2024	For the Year Ended October 31, 2023
Loss before income taxes	$ (2,222,000)	$ (5,717,000)
Statutory income tax rate	27.00%	27.00%
Income tax benefit computed at statutory tax rate	(600,000)	(1,543,000)
Differences between Canadian and foreign tax rates	271,000	249,000
Items not deductible for income tax purposes	780,000	762,000
Impact of foreign exchange	(10,000)	(155,000)
Unrecognized benefit of deferred income tax assets	(441,000)	687,000
Income tax benefit	$ -	$ -

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate sufficient taxable income to utilize its deferred tax assets. The tax effected items that give rise to significant portions of the deferred income tax liabilities at October 31, 2024 and 2023 are presented below:

	For the Year Ended October 31, 2024	For the Year Ended October 31, 2023
Deferred tax liabilities:		
Mineral properties	$ -	$ (176,000)
Office and equipment	-	(500)
Deferred tax assets:		
Non-capital losses	-	176,500
Net deferred income tax liabilities	$ -	$ -

(Expressed in United States dollars)

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of October 31, 2024 and 2023 are as follows:

		For the Year Ended October 31, 2024		For the Year Ended October 31, 2023
Share issuance costs	$	63,000	$	56,000
Office and equipment		33,000		25,000
Non-capital losses carried forward		778,000		1,594,000
Unrecognized deductible temporary differences	$	874,000	$	1,675,000

The Company has available Canadian net operational losses of approximately $2,881,000 (2023 - $4,872,000) that may be applied to reduce future taxable income. If these losses are not used to offset future income, they will expire in various years between 2042 and 2045.

14. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities at October 31, 2024 is $270,919 (2023 - $278,026) due to officers and directors of the Company for their compensation and services.

As at October 31, 2024, due to related party consists of $22,095 due to Silver Bull for shared employees' salaries and office expenses (2023 - $57,853). The balance of due to related party is interest free and is to be repaid on demand.

During the years ended October 31, 2024 and 2023, expenses totaling $247,624 and $266,900 were incurred by Silver Bull on the Company's behalf, which was offset by shared office rent. If specific identification of expenses is not practicable, a proportional cost allocation based on management's estimation is applied.

		For the Year Ended October 31, 2024		For the Year Ended October 31, 2023
Personnel	$	275,087	$	285,015
Office and administrative		19,824		30,070
Office rent reimbursement		(47,287)		(48,185)
	$	247,624	$	266,900

During the years ended October 31, 2024 and 2023, the Company paid or accrued the following amounts to officers, directors or companies controlled by officers and/or directors:

		For the Year Ended October 31, 2024		For the Year Ended October 31, 2023
Share-based payment	$	14,371	$	136,696
Directors' fees		125,376		125,715
Personnel		888,829		895,579
	$	1,028,576	$	1,157,990

(Expressed in United States dollars)

15. COMMITMENTS AND CONTINGENCIES

Contractual obligated per calendar year requirements as at October 31, 2024 are as follows:

	< 1 year ($)	1-2 years ($)	2-3 years ($)	3-4 years ($)	Total ($)
Lease commitments (Note 11)	99,000	33,000	-	-	132,000
Beskauga Option agreement commitments (Note 5)	576,000	-	-	-	576,000
Exploration licenses expenditure commitments	2,297,000	2,380,000	1,821,000	729,000	7,227,000
	2,972,000	2,413,000	1,821,000	729,000	7,935,000

The Company's commitments include contractually obligated payments associated to its office lease (Note 11), the exploration expenditure requirements under the Beskauga Option Agreement (detailed in Note 5), and minimum expenditure requirements to maintain its exploration licenses as mandated by Kazakh government authorities to keep the tenements in good standing.

16. SUPPLEMENTAL CASH FLOW INFORAMATION

As at October 31, 2024, cash and cash equivalents consist of guaranteed investment certificates (the "GIC") of $778,929 (2023 - $66,511) and $948,530 in cash (2023 - $224,173) held in bank accounts. The GIC is a 90-day cashable term deposit with an interest rate at 4.11%, as of October 31, 2024.

	For the Year Ended October 31, 2024	For the Year Ended October 31, 2023
Supplemental information		
Interest paid	$ -	$ -
Income taxes paid	-	-

17. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables excluding GST, accounts payable and accrued liabilities, lease liability**,** warrant derivative liability and due to related party. The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents, and other receivables. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly rated financial institutions. Cash and cash equivalents are denominated in $USD, $CDN, and Kazakh Tenge, and consist of guaranteed investment certificates for the terms of less than 100 days acquired from a Canadian financial institution. Credit risk arising from the Company's other receivables is low with negligible expected credit losses as the other receivable from Teck with high credit ratings.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at October 31, 2024, the Company had net working capital of $1,066,000 (2023 - net working capital deficit of 134,000) and cash and cash equivalents of $1,727,000 (2023 - $291,000), and is exposed to significant liquidity risk at this time. Furthermore, as the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through equity offerings.

Accounts payable and accrued liabilities and due to related party are non-interest-bearing and are normally settled on 30-day terms.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate risk or other price risk. The Company is exposed to foreign currency risk with respect to cash denominated in Canadian dollars. As at October 31, 2024 and 2023, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the Company's comprehensive loss by approximately $81,000 and $20,000 for the year ended October 31, 2024 and 2023, respectively.

The Company also maintains a minimum cash balance of local currency in bank account in Kazakhstan and the Company assesses such foreign currency risk as low.

The Company has not hedged any of its foreign currency risks.

d) Commodity price risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper and gold. The Company monitors copper and gold prices to determine the appropriate course of action to be taken.

e) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significant of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents, accounts payable and accrued liabilities and due to related party. The lease liability is classified as Level 3 financial instruments.

The warrant liability derivative is not traded in an active market, and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period. This is considered to be a Level 3 financial instrument.

(Expressed in United States dollars)

The carrying values approximate the fair values due to the short-term maturity of these instruments except the lease liability. There were no transfers between fair value levels during the year ended October 31, 2024 and 2023.

18. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations and exploration. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company is not subject to any externally imposed capital requirements. The Company did not change its approach to capital management during the year ended October 31, 2024.

19. SEGMENTED INFORMATION

Operating segments

The Company operated in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties, with its head office function in Canada. As at October 31, 2024, the Company's exploration and evaluation assets are currently located in Kazakhstan.

The following table details the allocation of assets included in the accompanying consolidated statement of financial position at October 31, 2024:

	Canada	Kazakhstan	Total
Cash and cash equivalents	$1,497,000	$ 231,000	$ 1,728,000
Other receivables	102,000	—	102,000
Prepaid expenses	33,000	848,000	881,000
Office and equipment	42,000	67,000	109,000
Minerals properties	—	5,035,000	5,035,000
Right-of use assets	107,000	—	107,000
Prepaid expense non-current	33,000	424,000	457,000
	$1,814,000	$ 6,605,000	$ 8,419,000

The following table details the allocation of assets included in the accompanying consolidated statement of financial position at October 31, 2023:

	Canada	Kazakhstan	Total
Cash and cash equivalents	$ 208,000	$ 83,000	$ 291,000
Other receivables	11,000	—	11,000
Prepaid expenses	41,000	177,000	218,000
Office and equipment	63,000	84,000	147,000
Minerals properties	—	5,035,000	5,035,000
Right-of use assets	186,000	—	186,000
Prepaid expense non-current	33,000	498,000	531,000
	$ 542,000	$ 5,877,000	$ 6,419,000

20. SUBSEQUENT EVENTS

On February 12, 2025, the Company elected to exercise its right to accelerate the expiry date to March 14, 2025 for the $CDN 0.40 Warrant issued on June 6, 2024. (Notes 10 and 12).

During the period from January 17, 2025 to February 26, 2025, warrants to acquire 3,960,020 common shares were exercised at an exercise price of $CDN 0.40 per common share for aggregate gross proceeds of $CDN 1,584,000 ($1,116,000).