QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Financial Statements

(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month and six-month periods ended
July 31, 2024 and 2023

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Financial Statements

Three-month and six-month periods ended July 31, 2024 and 2023

Condensed Interim Financial Statements

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Financial Position

As at July 31, 2024 and January 31, 2024

(in Canadian dollars)

	Note	July 31 2024	January 31 2024
		$	$
Assets			
Current assets:			
Cash		181,448	22,883
Investments	4	-	250,000
Marketable securities	5	338,218	514,496
Other receivables		-	6,040
Taxes receivable		30,212	83,730
Prepaid expenses		41,993	48,643
Tax credits related to resources receivable		45,679	45,679
Mining tax credits receivable		6,428	6,428
Total current assets		643,978	977,899
Non-current assets:			
Property and equipment		5,475	1,835
Total non-current assets		5,475	1,835
Total assets		649,453	979,734
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities		99,485	188,101
Other liabilities related to flow-through financings	6	127,712	144,266
Total current liabilities		227,197	332,367
Equity:			
Share capital	7	51,846,783	51,469,729
Contributed surplus		5,367,139	5,251,809
Deficit		(56,791,666)	(56,074,171)
Total equity		422,256	647,367
Total liabilities and equity		649,453	979,734

Statute of incorporation, nature of activities and going concern (Note 1).

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

These financial statements were approved and authorized for issue by the Board of Directors on September 20, 2024.

(S) Geneviève Ayotte	(S) James Shannon
Director	Director

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Loss and Comprehensive Loss

Three-month and six-month periods ended July 31, 2024 and 2023

(in Canadian dollars)

		Three-month period ended		**Six-month period ended**	
	Note	**July 31 2024**	**July 31 2023**	**July 31 2024**	**July 31 2023**
		$	**$**	**$**	**$**
Operating expenses:					
Salaries and employee benefit expense		73,299	77,103	162,099	150,577
Office and other expenses		16,515	49,012	39,696	101,285
Business development and investor relations		32,118	99,332	70,871	124,722
Registration, listing fees and shareholders information		36,658	24,381	51,300	36,963
Professional and consulting fees		96,881	89,300	185,025	168,475
Depreciation of property and equipment		506	427	1,014	808
Share-based compensation	8	71,954	25,267	73,371	49,992
Part XII.6 tax		6,714	-	6,714	-
Exploration and evaluation expenses	9	89,960	67,077	139,296	92,434
Operating loss		424,605	431,899	729,386	725,256
Other expenses (income):					
Finance expense		-	-	80	-
Interest income		-	-	(1,703)	(46)
Other income		(13,000)	-	(13,000)	-
Change in fair value of marketable securities	5	315,813	(237,583)	53,943	(451,739)
Gain on settlement/adjustment of other liabilities		(11,449)	-	(11,449)	-
Exchange loss		-	-	1,663	-
Total net other expenses (income)		291,364	(237,583)	29,534	(451,785)
Loss before income tax		(715,969)	(194,316)	(758,920)	(273,471)
Income tax recovery		21,130	-	41,425	-
Net loss and comprehensive loss		(694,839)	(194,316)	(717,495)	(273,471)
Weighted average number of common shares outstanding		99,347,093	85,007,472	97,045,190	84,109,207
Basic and diluted loss per share:		(0.007)	(0.002)	(0.007)	(0.003)

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Changes in Equity

Three-month and six-month periods ended July 31, 2024 and 2023

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Contributed surplus	Deficit	Total equity
			$	$	$	$
Balance as at January 31, 2024		94,692,135	51,469,729	5,251,809	(56,074,171)	647,367
Shares issued:						
Private placements	7	6,900,000	345,000			345,000
Flow-through private placements	7	1,154,091	76,689			76,689
As payment of director's fees	7	457,942	27,476			27,476
Share issuance costs	7		(34,626)			(34,626)
Share options granted	8			11,809		11,809
Warrants issued	8		(37,485)	37,485		-
Brokers and intermediaries' options granted	8			4,474		4,474
Deferred share units granted	8			61,562		61,562
		103,204,168	51,846,783	5,367,139	(56,074,171)	1,139,751
Net loss and comprehensive loss for the year					(717,495)	(717,495)
Balance as at July 31, 2024		103,204,168	51,846,783	5,367,139	(56,791,666)	422,256
Balance as at July 31, 2023		82,994,787	50,543,316	5,055,487	(53,418,122)	2,180,681
Shares issued:						
Private placements	7	4,439,706	377,375			377,375
Flow-through private placements	7	6,427,167	536,330			536,330
As payment of director's fees	7	405,470	32,032			32,032
Share issuance costs	7		(51,890)			(51,890)
Share options granted	8			32,773		32,773
Deferred share units granted	8			17,219		17,219
		94,267,130	51,437,163	5,105,479	(53,418,122)	3,124,520
Net loss and comprehensive loss for the year					(273,471)	(273,471)
Balance as at July 31, 2023		94,267,130	51,437,163	5,105,479	(53,691,593)	2,851,049

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Cash Flows

Three-month and six-month periods ended July 31, 2024 and 2023

(in Canadian dollars)

	Six-month period ended	
	July 31 2024	**July 31 2023**
	$	**$**
Operating activities:		
Net loss	(717,495)	(273,471)
Adjustments for:		
Income tax recovery	(41,425)	-
Director's fees paid through issuance of shares	27,476	32,032
Gain on settlement/adjustment of other liabilities	(11,449)	-
Depreciation of property and equipment	1,014	808
Share-based compensation	73,371	49,992
Change in fair value of marketable securities	53,943	(451,739)
Operating activities before changes in working capital items	(614,565)	(642,378)
Change in other receivables	6,040	834
Change in taxes receivable	53,518	(2,142)
Change in prepaid expenses	6,650	943
Change in tax credits related to resources receivable	-	(30,985)
Change in mining tax credits receivable	-	145,729
Change in trade accounts payable and other liabilities	(87,584)	136,762
Change in working capital items	(21,376)	251,141
Cash flows used for operating activities	(635,941)	(391,237)
Financing activities:		
Proceeds from private placement	345,000	377,375
Proceeds from flow-through placements	101,560	1,001,200
Share issuance costs	(19,735)	(21,255)
Cash flows from (used for) financing activities	426,825	1,357,320
Investing activities:		
Proceeds from disposal of marketable securities	122,335	-
Proceeds from disposal of investments	250,000	-
Acquisition of equipment	(4,654)	(2,369)
Cash flows from (used for) investing activities	367,681	(2,369)
Net change in cash	158,565	963,714
Cash, beginning of period	22,883	262,706
Cash, end of period	181,448	1,226,420

Additional disclosures of cash flow information (Note 11).

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

1. Statute of incorporation, nature of activities and going concern:

Quebec Precious Metals Corporation (or “the Company”), incorporated under the Canada Business Corporations Act, is a mineral exploration company operating in Canada. Its shares are traded on the TSX.V Stock Exchange under the symbol QPM, on the American Stock Exchange OTCQB Market under the symbol CJCFF and on the Frankfurt exchange under the symbol YXEN. The address of the Company’s head office and registered office is 800 Victoria Square, Suite 3500, Montréal, Québec, H3C 0B4 and its website is www.qpmcorp.ca.

The Company has not yet determined whether its mining projects have mineral reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although management has taken steps to verify titles of the mining projects in which the Company holds an interest, in accordance with industry standards for the current stage of exploration of such projects, these procedures do not guarantee the Company’s project title. Project title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

The financial statements have been prepared by the Company on a going concern basis, assuming that the Company will be able to realize its assets and settle its liabilities in the normal course of business as they come due.

For the six-month period ended July 31, 2024, the Company recorded a net loss of $717,495 ($273,471 for the six-month period ended July 31, 2023) and had negative cash flows from operations of $635,941 ($391,237 for the six-month period ended July 31, 2023). In addition, the Company had accumulated deficit of $56,791,666 as at July 31, 2024. Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at July 31, 2024, the Company had a working capital (total current assets less total current liabilities) of $416,781 (a working capital of $645,532 as at January 31, 2024) including cash of $181,448 ($22,883 in cash as at January 31, 2024). Management estimates that the working capital as at July 31, 2024 will not be sufficient to meet the Company's needs during the coming year. The Company is still in exploration stage and, as such, no revenue nor cash flow has been yet generated from its operating activities other than from the sales of non-core assets. Consequently, management periodically seeks financing through the issuance of shares, the exercise of warrants and share purchase options to continue its operations, and despite the fact that it has been able in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not reflect the adjustments or reclassification of assets and liabilities, that would be necessary if the going concern assumption is not appropriate. These adjustments could be material.

2. Basis of preparation:

2.1 Statement of compliance:

These condensed interim financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS, has been omitted or condensed. Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company and the notes thereto for the year ended January 31, 2024.

2.2 Basis of measurement:

The financial statements have been prepared on the historical cost basis except for marketable securities which are measured at fair value and share-based compensation transactions, which are measured at fair value at grant date pursuant to IFRS 2, Share-Based payment.

2.3 Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

2.4 Use of estimates and judgements:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in Note 2 of the annual audited financial statements of the Company as at January 31, 2024.

(in Canadian dollars)

3. Material accounting policies:

These condensed interim financial statements have been prepared following the same accounting policies used in Note 4 of the annual audited financial statements for the year ended January 31, 2024.

3.1 Adoption of new accounting standard:

There was no adoption of new accounting policies in preparing the condensed interim financial statements as at July 31, 2024.

3.2 New standards and interpretations that are not yet effective and have not been adopted:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Investments:

	July 31 2024	January 31 2024
	$	$
Guaranteed Investment Certificate ("GIC") expiring on March 19, 2024 at a rate of 5.12% (1)	-	250,000
	-	250,000

(1) This instrument was not cashable before the expiring date which is March 19, 2024.

5. Marketable securities:

	Number of shares				Carrying value				
	January 31 2024	Acquisition	Disposition	July 31 2024	January 31 2024	Acquisition	Disposition	Change in fair value	July 31 2024
					$	$	$	$	$
Shares									
NICO (1)	146,089	-	-	146,089	9,496	-	-	19,722	29,218
FEX (2)	1,000,000	-	-	1,000,000	25,000	-	-	(10,000)	15,000
LTHM (3)	12,000,000	-	(2,200,000)	9,800,000	480,000	-	(122,335)	(63,665)	294,000
	13,146,089	-	(2,200,000)	10,946,089	514,496	-	(122,335)	(53,943)	338,218

	Number of shares				Carrying value				
	July 31 2023	Acquisition	Disposition	January 31 2024	July 31 2023	Acquisition	Disposition	Change in fair value	January 31 2024
					$	$	$	$	$
Shares									
NICO (1)	146,089	-	-	146,089	21,913	-	-	(12,417)	9,496
FEX (2)	1,000,000	-	-	1,000,000	50,000	-	-	(25,000)	25,000
LTHM (3)	12,000,000	-	-	12,000,000	1,080,000	-	-	(600,000)	480,000
	13,146,089	-	-	13,146,089	1,151,913	-	-	(637,417)	514,496

(1) Class 1 Nickel and Technologies Ltd. - Canadian Securities Exchange - Symbol "NICO"
(2) Fjordland Exploration Inc. - TSX Venture - Symbol "FEX"
(3) Champion Electric Metals Inc - Canadian Securities Exchange - Symbol "LTHM"

(in Canadian dollars)

6. Other liabilities related to flow-through shares:

	July 31 2024	January 31 2024
	$	$
Other liabilities related to flow-through shares:		
Increase of the year	24,871	464,870
Decrease related to eligible expenses incurred during the year	(41,425)	(320,604)
	(16,554)	144,266
Balance, beginning of year	144,266	-
Balance, end of year	127,712	144,266

Other liabilities related to flow-through shares represent the renunciation of tax deductions to investors following flow-through shares financing.

During the six-month period ended July 31, 2024, the Company committed to incur $1,001,200 before December 31, 2024 and $101,560 before December 31, 2025, in eligible exploration and evaluation expenses, in accordance with the Income Tax Act of Canada and the Taxation Act of Québec, and to transfer these tax deductions to the subscribers of a flow-through share financings completed in July 2023 and June 2024 (See Note 7). In connection with these commitments, the Company incurred cumulative eligible expenses of $807,617 as at July 31, 2024. As at July 31, 2024, the Company has a remaining obligation to incur an amount of $193,583 in exploration and evaluation expenditures until December 31, 2024 and has the obligation to incur an amount of $101,560 in exploration and evaluation expenditures until December 31, 2025.

The disallowance of certain expenses by tax authorities could have negative tax consequences for investors or the Company (See Note 13).

7. Share capital:

(a) Authorized:

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

(b) Issued and outstanding:

2025:

On May 30, 2024, the Company issued to directors 228,971 common shares valued at $13,738 for director's fees ($0.06 per share) in order to settle 90% of the director's fees payable for the three-month period ended January 31, 2024 (10% paid in cash).

On May 30, 2024, the Company issued to directors 228,971 common shares valued at $13,738 for director's fees ($0.06 per share) in order to settle 90% of the director's fees payable for the three-month period ended April 30, 2024 (10% paid in cash).

On May 31, 2024, the Company concluded a private placement by issuing 3,700,000 units at a price of $0.05 per unit for net proceeds of $172,211 after deducting share issuance costs of $12,789 including a finder's fee of $5,600. Each unit consists of one common share and one warrant for a total of 3,700,000 common shares and 3,700,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.10 until May 31, 2027. These warrants have been recorded at a value of $18,500 based on the residual value method. As part of this private placement, the Company also issued a total of 112,000 brokers and intermediaries' options. Each brokers and intermediaries' option entitles its holder to purchase one common share at $0.10 per share until May 31, 2027. These brokers and intermediaries' options have been recorded at a value of $2,171 based on the Black-Scholes option pricing model using the assumptions described below (Note 8 (d)). Total share issuance costs amounted to $14,960 including the fair value of the brokers and intermediaries' options of $2,171.

7. Share capital (continued):

(b) Issued and outstanding (continued):

2025 (continued):

On June 21, 2024, the Company concluded a private placement by issuing 3,200,000 units at a price of $0.05 per unit for net proceeds of $153,784 after deducting share issuance costs of $6,216. Each unit consists of one common share and one warrant for a total of 3,200,000 common shares and 3,200,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.10 until June 21, 2027. These warrants have been recorded at a value of $Nil based on the residual value method. As part of this private placement, the Company also issued a total of 140,000 brokers and intermediaries' options. Each brokers and intermediaries' option entitles its holder to purchase one common share at $0.10 per share until June 21, 2027. These brokers and intermediaries' options have been recorded at a value of $2,303 based on the Black-Scholes option pricing model using the assumptions described below (Note 8 (d)). Total share issuance costs amounted to $8,519 including the fair value of the brokers and intermediaries' options of $2,303. A director of the Company subscribed for 200,000 units of this financing.

On June 21, 2024, the Company concluded a private placement by issuing 1,154,091 flow-through units at a price of $0.088 per unit for net proceeds of $90,413 after deducting share issuance costs of $11,147, including a finder's fee of $7,000. Each unit consists of one common share and one warrant for a total of 1,154,091 common shares and 1,154,091 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of $0.10 until June 21, 2027. These warrants have been recorded at a value of $18,985 based on the residual value method. An amount of $24,871 representing the premium paid by the investors was recorded in other liability related to flow-through shares based on the residual value method. The Company has the obligation to incur $101,560 in exploration and evaluation expenses in its Québec mining projects no later than December 31, 2025. As at July 31, 2024, the Company did not incur any exploration and evaluation expenses in its Québec mining projects and consequently has to incur $101,560 in exploration and evaluation expenses no later than December 31, 2025. Officers of the Company subscribed for 240,000 flow-through units of this financing.

2024:

On February 21, 2023, the Company issued to directors 243,282 common shares valued at $18,246 for director's fees ($0.075 per share) in order to settle 90% of the director's fees payable for the three-month period ended January 31, 2023 (10% paid in cash).

On May 18, 2023, the Company issued to directors 162,188 common shares valued at $13,786 for director's fees ($0.085 per share) in order to settle 90% of the director's fees payable for the three-month period ended April 30, 2023 (10% paid in cash).

On July 12, 2023, the Company concluded a private placement by issuing 4,439,706 common shares at a price of $0.085 per share for net proceeds of $357,348 after deducting share issuance costs of $20,027 including a finder's fee of $4,250. A director of the Company subscribed for 250,000 common shares of this financing.

On July 12, 2023, the Company concluded a private placement by issuing 2,714,667 flow-through shares at a price of $0.15 per share for net proceeds of $396,044 after deducting share issuance costs of $11,156, including a finder's fee of $2,025. An amount of $149,307 representing the premium paid by the investors was recorded in other liability related to flow-through shares based on the residual value method. The Company has the obligation to incur $407,200 in exploration and evaluation expenses in its Québec mining projects no later than December 31, 2024. As at July 31, 2024, the Company incurred $407,200 in exploration and evaluation expenses in its Québec mining projects (completed in the quarter ended January 31, 2024) and consequently has fulfilled its obligation before or on December 31, 2024. Directors and an officer of the Company subscribed for 228,000 flow-through shares of this financing.

On July 27, 2023, the Company concluded a private placement by issuing 3,712,500 charity flow-through shares at a price of $0.16 per share for net proceeds of $571,859 after deducting share issuance costs of $22,141. An amount of $315,563 representing the premium paid by the investors was recorded in other liability related to flow-through shares based on the residual value method. The Company has the obligation to incur $594,000 in exploration and evaluation expenses in its Québec mining projects no later than December 31, 2024. As at July 31, 2024, the Company incurred $400,417 in exploration and evaluation expenses in its Québec mining projects and consequently has to incur $193,583 in exploration and evaluation expenses no later than December 31, 2024.

On August 28, 2023, the Company issued to directors 230,380 common shares valued at $18,430 for director's fees ($0.08 per share) in order to settle 90% of the director's fees payable for the three-month period ended July 31, 2023 (10% paid in cash).

On December 12, 2023, the Company issued to directors 194,625 common shares valued at $15,570 for director's fees ($0.08 per share) in order to settle 90% of the director's fees payable for the three-month period ended October 31, 2023 (10% paid in cash).

(in Canadian dollars)

8. Warrants, share options, deferred share units and brokers and intermediaries' options:

(a) Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

		July 31 2024		January 31 2024
	Number of outstanding warrants	Weighted average exercise price	Number of outstanding warrants	Weighted average exercise price
		$		$
Outstanding at beginning	-	-	-	-
Granted	8,054,091	0.10	-	-
Outstanding at end	8,054,091	0.10	-	-

The following table provides outstanding warrants information as at July 31, 2024:

			Outstanding warrants
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
May 31, 2027	3,700,000	0.10	2.8
June 21, 2027	4,354,091	0.10	2.9
	8,054,091	0.10	2.9

(b) Share purchase options:

In November 2018, the shareholders of the Company approved a stock option plan (the “Plan”) whereby the Board of Directors may grant to directors, officers, employees and consultants of the Company, share purchase options to acquire common shares of the Company. Terms of each share purchase option is determined by the Board of Directors. Share purchase options granted pursuant to the Plan can also be subject to the vesting requirements and period determined by the Board of Directors.

The Plan provides that the maximum number of common shares that may be reserved for issuance under the Plan shall be equal to 6,743,433 common shares of the Company. The maximum number of common shares which may be for issuance at the grant of the share purchase options to any optionee may not exceed 5% of the outstanding common shares at the date of grant and may not exceed 2% of the outstanding common shares for consultants and investor relations representatives. These share purchase options will expire no later than ten years after being granted.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the date of grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

(in Canadian dollars)

8. Warrants, share options, deferred share units and brokers and intermediaries' options:

(b) Share purchase options (continued):

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

		July 31 2024		January 31 2024
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		$		$
Outstanding at beginning	5,320,000	0.16	3,830,000	0.34
Granted	30,000	0.10	3,400,000	0.10
Forfeited	(1,000,000)	0.10	(1,340,000)	0.33
Expired	(535,000)	0.33	(570,000)	0.58
Outstanding at end	3,815,000	0.15	5,320,000	0.16
Exercisable at end	2,215,000	0.19	3,345,002	0.19

The following table provides outstanding share options information as at July 31, 2024:

				Outstanding share options
Expiry date	Number of granted share options	Number of exercisable share options	Exercise price	Remaining life
			$	(years)
February 17, 2025	225,000	225,000	0.28	0.6
July 24, 2025	50,000	50,000	0.27	1.0
October 26, 2025	235,000	235,000	0.23	1.2
February 19, 2026	500,000	500,000	0.29	1.6
July 16, 2026	30,000	30,000	0.10	2.0
March 15, 2027	375,000	375,000	0.17	2.6
August 8, 2028	2,400,000	800,000	0.10	4.0
	3,815,000	2,215,000	0.15	3.1

The options outstanding as at January 31, 2024 had an exercise price in the range of $0.10 to $0.35 and a weighted-average contractual life of 3.0 years.

The following table provides the weighted average fair value of options granted:

	July 31 2024	January 31 2024
	$	$
Weighted average fair value of options granted	$0.01	$0.04

The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	July 31 2024	January 31 2024
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	$0.045	$0.072
Weighted average expected volatility	82.27%	70.92%
Weighted average risk-free interest rate	3.77%	3.66%
Weighted average exercise price at grant date	$0.10	$0.10
Weighted average expected life	2.00 years	4.41 years

(in Canadian dollars)

8. Warrants, share options, deferred share units and brokers and intermediaries' options:

(b) Share purchase options (continued):

The underlying expected volatility was determined by reference to historical data of the Company’s shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

An amount of $10,392 and $11,809 of share-based compensation ($20,915 from granted and non vested share options offset by a reversal of $9,106 from forfeited share options non vested) were accounted in the statement of loss and comprehensive loss for the three-month and six-month periods ended July 31, 2024 respectively ($18,412 and $32,773 for the three-month and six-month periods ended July 31, 2023 respectively ($18,142 and $32,773 from granted and non vested share options offset by a reversal of $1,562 from forfeited share options non vested)) and credited to contributed surplus. As at July 31, 2024, an amount of $14,196 ($36,244 for the year ended January 31, 2024) remains to be amortized until August 8, 2025 related to the grant of stock options not vested.

(c) Deferred share units ("DSUs"):

The changes to the number of outstanding DSUs granted by the Company are as follows:

	July 31 2024	January 31 2024
	Number of outstanding DSU	Number of outstanding DSU
Outstanding at beginning	1,967,696	528,014
Granted	1,293,530	1,439,682
Outstanding at end	3,261,226	1,967,696

The DSUs are payable in common shares of the Company and/or cash upon the holder ceasing to be a director, an officer, an employee or a consultant of the Company, as the case may be. During the three-month and six-month periods ended July 31, 2024, the Company issued 1,293,530 DSUs with a fair value of $61,562 accounted for in the share-based compensation for the three-month and six-month periods ended July 31, 2024 (79,167 DSUs and 197,917 were issued during the three-month and six-month periods ended July 31, 2023 respectively with a fair value of with a fair value of $7,125 and $17,219 accounted for in the share-based compensation for the three-month and six-month periods ended July 31, 2023 respectively).

(d) Brokers and intermediaries' options:

The changes to the number of outstanding brokers and intermediaries' options granted by the Company and their weighted average exercise price are as follows:

		July 31 2024		January 31 2024
	Number of outstanding brokers and interme-diaries' options	Weighted average exercise price	Number of outstanding brokers and interme-diaries' options	Weighted average exercise price
		$		$
Outstanding at beginning	-	-	655,164	0.30
Granted	252,000	0.10	-	-
Expired	-	-	(655,164)	0.30
Outstanding at end	252,000	0.10	-	-

(in Canadian dollars)

8. Warrants, share options, deferred share units and brokers and intermediaries' options:

(d) Brokers and intermediaries' options (continued):

The following table provides outstanding brokers and intermediaries' options information as at July 31, 2024:

			Outstanding warrants
Expiry date	Number of outstanding warrants	Exercise price	Remaining life
		$	(years)
May 31, 2027	112,000	0.10	2.8
June 21, 2027	140,000	0.10	2.9
	252,000	0.10	2.9

The following table provides the weighted average fair value of brokers and intermediaries' options granted:

	July 31 2024	January 31 2024
	$	$
Weighted average fair value of brokers and intermediaries' options granted	$0.01780	-

The fair value of each brokers and intermediaries' option granted (including extended options) is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	July 31 2024	January 31 2024
Weighted average expected dividend yield	0%	-
Weighted average share price at grant date	$0.052	-
Weighted average expected volatility	73.75%	-
Weighted average risk-free interest rate	3.88%	-
Weighted average exercise price at grant date	$0.10	-
Weighted average expected life	3 years	-

9. Exploration and evaluation activities:

Exploration and evaluation expenses by nature are detailed as follows:

	Three-month period ended		Six-month period ended	
	July 31 2024	July 31 2023	July 31 2024	July 31 2023
	$	$	$	$
Exploration and evaluation activities:				
Drilling	7,924	2,050	35,247	2,050
Resource estimate	-	17,129	-	30,823
Geology	1,012	62,665	7,215	62,665
Prospecting	10,320	-	20,016	-
General field expenses	70,704	15,563	76,818	32,480
Tax credit related to resources and mining tax credits	-	(30,330)	-	(35,584)
	89,960	67,077	139,296	92,434

(in Canadian dollars)

9. Exploration and evaluation activities (continued):

Exploration and evaluation expenses per project can be detailed as follows:

	Three-month period ended		Six-month period ended	
	July 31 2024	July 31 2023	July 31 2024	July 31 2023
	$	$	$	$
Projects:				
Cheechoo-Éléonore trend	173	5,003	1,226	5,003
Elmer East	991	23,988	6,360	24,439
Kipawa-Zeus	2,128	16,784	2,213	29,202
Sakami	86,668	21,302	129,497	33,790
	89,960	67,077	139,296	92,434

Sakami:

The Sakami project is wholly-owned by the Company, consists of one large contiguous block of 281 mineral claims (142.50 km^2) and includes the contiguous claims that were part of the project previously known as the project Apple (currently the Apple area). The project is located 90 km northwest of the Eleonore mine (operated by Newmont Corporation), 570 km north of Val-d'Or and 900 km northwest of Montreal. The project is subject to a NSR of 1% on certain claims and a NSR of 2% on 81 claims, half of which can be bought back for $1,000,000.

Cheechoo-Éléonore Trend:

The Cheechoo-Éléonore Trend project is wholly-owned by the Company and consists of 128 claims (66.26 km^2). The southeastern end of the project lies about 24 km northwest of the Éléonore mine, with a road access 14 km away.

Elmer East:

The Elmer East project is wholly-owned by the Company and consists of 929 claims (488 km^2). The project is located along trend from the recent Patwon Prospect gold discovery made by Azimut Exploration Inc. (“Azimut”) on its Elmer project located in the Eeyou Istchee James Bay territory, Quebec. The Elmer East project was acquired, by map designation, and includes the adjacent Annabelle block and the Opinaca Gold West block (505 claims, 266 km^2). The western part of the Elmer East project is contiguous to Azimut’s project. During the year ended January 31, 2024, 40 claims have been abandoned and 40 new claims have been acquired.

Kipawa-Zeus:

The Company has a 68% interest in the Kipawa project, through the Kipawa rare earth joint arrangement, with Investissement Québec holding the remaining 32% interest. The Kipawa project is part of a group of 73 claims (43.03 km2) that form the Kipawa-Zeus project. The Zeus claims are outside of the Kipawa project, are wholly-owned by the Company. The project is located in the Témiscamingue region of Quebec, 140 km south of Rouyn-Noranda and 90 km northeast of North Bay, Ontario.

On August 9, 2021 and amended on February 4,2022, the Company entered into a Binding Term Sheet with Vital Metals Limited ("Vital") for the acquisition by Vital of the Company's 68% interest in the Kipawa rare earth project and 100% of the Zeus Rare Earth project in Quebec, Canada, for $8 million, subject to certain closing conditions.

In October 2022, Vital informed the Company that it will not proceed with the acquisition. Accordingly, the Company received a payment of $1,013,124 ($1,000,000 and interest of $13,124) under the terms of the Binding Term Sheet as transaction termination fee.

Non-core assets:

Matheson:

The Company holds a 50% interest in four non-contiguous blocks totalling 23 unpatented cell mining claims, three leases (110005-mining rights only; 108148 and 110007-surface and mining rights), and four patented claims (mining rights only) totalling 14.22 km^2 from the Matheson Joint Venture project, located 24 km from downtown Timmins, Ontario.

(in Canadian dollars)

10. Earnings per share:

The warrants, share purchase options and DSUs were excluded from the diluted weighted average number of common shares calculation since the Company is operating at a loss and that their effect would have been antidilutive. Details of share purchase options, warrants and DSUs issued that could potentially dilute earnings per share in the future are given in Note 8.

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the three-month and six-month periods ended July 31, 2024 and 2023.

11. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

	Six-month period ended	
	July 31 2024	July 31 2023
	$	$
Non-cash financing activities:		
Share issuance costs in trade accounts payable and accrued liabilities	10,417	30,635
Shares issued as payment of director's fees	27,746	32,032

12. Related party transactions:

Related parties include the Company's key management personnel and members of the Board of Directors. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel and directors includes the following expenses:

	Three-month period ended		Six-month period ended	
	July 31 2024	July 31 2023	July 31 2024	July 31 2023
	$	$	$	$
Management and consulting fees	17,250	17,250	34,500	34,500
Salaries and director's fees (1)	58,873	63,103	134,376	123,151
Share-based compensation	66,279	7,292	75,737	21,225
	142,402	87,645	244,613	178,876

(1) As at July 31, 2024, an amount of $23,240 was due to directors and CEO ($27,286 as at January 31, 2024).

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

13. Contingent liabilities:

The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to identify, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in compliance with the laws and regulations. Any additional payment to liability already recorded that results from restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

The Company is subject to tax requirements related to the use of funds obtained by flow-through share financing. These funds must be incurred for eligible exploration expenses. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

(in Canadian dollars)

13. Contingent liabilities (continued):

However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The disallowance of certain expenses by tax authorities may have negative tax consequences for investors. In the case the Company does not incur the required qualifying Canadian mineral exploration expenses as originally contemplated in its flow-through private placements, the Company has contractually agreed to indemnify the purchasers of such flow-through securities to compensate for adverse tax consequences they might incur.

14. Financial assets and liabilities:

The carrying amount and fair value of financial instruments presented in the statements of financial position related to the following classes of assets and liabilities:

		July 31 2024		**January 31 2024**
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$	$	$	$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	338,218	338,218	514,496	514,496
	338,218	338,218	514,496	514,496

		July 31 2024		**January 31 2024**
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$	$	$	$
Financial assets				
Amortized cost				
Cash	181,448	181,448	22,883	22,883
Investments	-	-	250,000	250,000
Other receivables	-	-	6,040	6,040
	181,448	181,448	278,923	278,923

		July 31 2024		**January 31 2024**
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$	$	$	$
Financial liabilities				
Amortized cost				
Trade accounts payable and other liabilities	92,697	92,697	188,101	188,101
	92,697	92,697	188,101	188,101

The fair values of the marketable securities totalize $338,218 as at July 31, 2024 ($514,496 as at January 31, 2024) and are determined by using the closing price at each reporting date.

The fair value of cash, investments, other receivables, trade accounts payable and other liabilities and loan is comparable to its carrying amount given the short period to maturity, i.e. the time value of money is not significant.

(in Canadian dollars)

14. Financial assets and liabilities (continued):

The following hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. Marketable securities are classified as Level 1 in the fair value hierarchy.

15. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

	July 31 2024	January 31 2024
	$	$
Equity	422,256	647,367
	422,256	647,367

The Company's capital management objective is to have sufficient capital to be able to meet its exploration and mining development plan in order to ensure the growth of its activities. It also has the objective of having sufficient cash to finance its exploration and evaluation expenses, investing activities and working capital requirements. No changes were made in the objectives, policies and processes for managing capital during the reporting periods. The Company has no dividend policy.

16. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, price risk and interest risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

(a) Credit risk:

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company is exposed to credit risk with respect to its cash, investments and other receivables for an amount of $181,448 as at July 31, 2024 ($278,923 as at January 31, 2024). The credit risk associated with cash and investments is minimal, as cash and investments are placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has sufficient financing sources. The Company establishes budgets to ensure it has the necessary funds to fulfill its obligations.

In previous years, the Company financed its acquisitions of mining rights, exploration and evaluation expenses and working capital needs through private financings consisting of issuance of common shares and flow-through shares, and by optioning some of its mining projects. Management estimates that the cash as at July 31, 2024 will not be sufficient to meet the Company's needs during the coming year (see Note 1).

(in Canadian dollars)

16. Financial instrument risks (continued):

(b) Liquidity risk (continued):

Contractual maturities of financial liabilities are as follows:

				July 31 2024
	Less than 1 year	**1-5 years**	**More than 5 years**	**$ Total**
	$	$	$	$
Trade accounts payable and other liabilities	92,697	-	-	92,697

				January 31 2024
	Less than 1 year	**1-5 years**	**More than 5 years**	**$ Total**
	$	$	$	$
Trade accounts payable and other liabilities	188,101	-	-	188,101

(c) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in quoted mining exploration companies. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, a weighted average volatility of 119.93% has been observed during the six-month period ended July 31, 2024 (102.41% for the year ended January 31, 2024).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a weighted average markup of $405,631 as at July 31, 2024 (weighted average markup of $526,909 as at January 31, 2024) or if quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a weighted average markdown of $338,218 as at July 31, 2024 ($514,496 as at January 31, 2024).

(d) Interest risk:

Interest rate risk represents the risk that the fair value or future cash flows of financial instruments fluctuates because of changes in market interest rates. The Company's exposure to cash flow risk related to the interest rate of its investment is limited due to its short term maturity.

17. Subsequent events:

On August 9, 2024, the Company issued 107,955 deferred stock units to an officer.

On August 9, 2024, the Company issued to directors 221,165 common shares valued at $8,847 for director's fees ($0.04 per share) corresponding to 90% of the director's fees payable (10% paid in cash), as per their service agreements for the three-month period ended July 31, 2024.

On August 9, 2024, the Company received a first payment of $49,996 representing an advance relating to financial assistance from the Ministère des Ressources naturelles et des Forêts (MRNF) for expenditures to be made by the Company for geometallurgical studies on the Elmer East property (the "Program"). The Program will reimburse the Company for 50% of its exploration expenses incurred by the Company related to up to a maximum grant of $333,306 (required expenditures of $666,612). As of the date hereof, no exploration expenses have been incurred by the Company related to geometallurgical studies on the Elmer East property. The advance of $49,992 will be considered restricted cash until exploration expenses of $99,992 have been incurred to earn this advance. Expenses on geometallurgical studies must be incurred between April 1, 2024 and March 31, 2026.