NEXUS METALS CORP.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2024 AND 2023

Expressed in Canadian Dollars

Head office and registered and records office address:

802-750 West Pender Street
Vancouver BC, V6C 2T8

NEXUS METALS CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT JULY 31, 2024 AND January 31, 2024
Expressed in Canadian Dollars

	July 31, 2024	January 31, 2024
	$	$
ASSETS		
Current		
Cash	684	88,638
Amounts receivable	4,744	-
Due from Nexus Gold Corp. (note 7)	872,593	803,592
Prepaids	125,889	208,389
Total current assets	1,003,910	1,100,619
Exploration and evaluation assets (note 4)	2,930,187	2,930,187
TOTAL ASSETS	**3,934,097**	**4,030,806**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 5)	399,742	325,193
TOTAL LIABILITIES	**399,742**	**325,193**
EQUITY		
Share capital (note 6)	5,469,707	5,469,707
Shares to be issued (note 6)	350,000	350,000
Stock options reserve (note 6)	49,476	49,476
Deficit	(2,334,828)	(2,163,570)
TOTAL EQUITY	3,534,355	3,705,613
TOTAL LIABILITIES AND EQUITY	**3,934,097**	**4,030,806**

Nature and continuance of operations (note 1)

On behalf of the Board: *"Alex Klenman"* Director *"Warren Robb"* Director

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

NEXUS METALS CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2024 AND 2023
Expressed in Canadian Dollars

	Three months ended		Six months ended	
For the period ended July 31,	2024	2023	2024	2023
			$	$
EXPENSES				
Consulting fees (note 7)	56,250	15,000	112,500	30,000
Filing fees	4,054	988	4,794	2,033
General exploration	-	11,250	-	22,500
Marketing and communication	375	-	750	-
Office and administration	15,173	15,060	30,234	32,845
Project sourcing	-	-	-	12,000
Professional fees	5,670	-	22,980	5,000
Loss for the period before other items	(81,522)	(42,298)	(171,258)	(104,378)
Net loss and comprehensive loss for the period	(81,522)	(42,298)	(171,258)	(104,378)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	63,570,460	58,270,460	63,570,458	58,270,460

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

NEXUS METALS CORP.
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2024 AND 2023
Expressed in Canadian Dollars

	Number of shares	Share capital	Shares to be issued	Stock options reserve	Deficit	Total equity
		$	$	$	$	$
Balance, January 31, 2023	**58,270,460**	**5,204,707**	**-**	**-**	**(541,716)**	**4,662,991**
Loss for the period	-	-	-	-	(104,378)	(104,378)
Balance, July 31, 2023	**58,270,460**	**5,204,707**	**-**	**-**	**(646,094)**	**4,558,613**
Balance, January 31, 2024	**63,570,460**	**5,469,707**	**350,000**	**49,476**	**(2,163,570)**	**3,705,613**
Loss for the period	-	-	-	-	(171,258)	**(171,258)**
Balance, July 31, 2024	**63,570,460**	**5,469,707**	**350,000**	**49,476**	**(2,334,828)**	**3,534,355**

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

NEXUS METALS CORP.
STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2024 AND 2023
Expressed in Canadian Dollars

	2024	2023
	$	$
CASH USED IN OPERATING ACTIVITIES		
Loss for the period	(171,258)	(104,378)
Changes in working capital items:		
Amounts receivable	(4,744)	(5,075)
Due from Nexus Gold Corp.	(69,000)	15,190
Prepaids	82,499	-
Accounts payable and accrued liabilities	74,549	61,373
Net cash used in operating activities	(87,954)	(32,890)
Change in cash for the period	(87,954)	(32,890)
Cash, beginning of the period	88,638	33,857
Cash, end of period	684	967

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nexus Metals Corp. (the "Company") incorporated under the Business Corporations Act of British Columbia on January 25, 2022. The address of the Company's corporate office and its principal place of business is 802 - 750 West Pender Street, Vancouver, BC.

On October 12, 2022, the Nexus Gold Corp. ("Nexus Gold") completed the spin-out its existing Canadian projects. The plan of arrangement involves the spin-out of the Company, a newly established subsidiary of Nexus Gold, and its Canadian resource projects to shareholders (the "Plan of Arrangement"). As a result of the completion of the Plan of Arrangement, Nexus Gold transferred all of its rights to the Canadian projects to the Company. A total of 45,390,460 shares of the Company have been distributed on a pro rata basis to shareholders of Nexus Gold. Nexus Gold shareholders received approximately one share of the Company for every seven common shares of Nexus Gold.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company does not generate revenues or cash flow from operations to fund its activities and relies on financing raised from the issuance of shares and the support of creditors and related parties.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company estimates that additional financing will be required to continue operations over the next 12 months.

These factors form a material uncertainty that may cast significant doubt upon the entity's ability to continue as a going concern.

These interim financial statements do not include any adjustments related to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. MATERIAL ACCOUNTING POLICIES

Statement of Compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

These financial statements were approved by the Board of Directors of the Company on September 27, 2024.

Basis of presentation

These interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. MATERIAL ACCOUNTING POLICIES (continued)

The interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Significant accounting estimates and judgments

The preparation of these interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity-based payments, the recoverability and measurement of income taxes, and decommissioning restoration provision.

Key estimates made in applying accounting policies that have the most significant effects on the amounts recognized in the interim financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

2. MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning restoration provision
The Company's provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can results in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

Income taxes
In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern
The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty is subject to significant judgment.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and transferred to mining assets and amortized over the estimated useful life of the property following commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue estimated future costs of maintaining its exploration and evaluation assets in good standing.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss. General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

Restoration and environmental obligations

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of assets

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

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

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

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

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

2. MATERIAL ACCOUNTING POLICIES (continued)

Share capital (continued)

The Company may from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into: i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes as other income.

Share-based compensation

The Company grants share purchase options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The Company uses the fair value-based method of accounting for stock options granted to directors and for compensatory warrants. Under this method, the fair value of the stock options and compensatory warrants are determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period, and the fair value of compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

2. MATERIAL ACCOUNTING POLICIES (continued)

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (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 stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Financial instruments

The Company classifies its financial assets into one of the following categories as follows: Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company has classified its cash as a financial asset measured at fair value through profit and loss. Such assets are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its accounts payables as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment of financial assets
The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Losses are recognized in the statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of amounts payable. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

Income taxes

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the "premium" the investor attributes to a flow-through share versus an ordinary share. When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Company assesses whether a contract is, or contains, a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Accounting standards issued but not yet effective

There are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's interim financial statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values (continued)

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of due from Nexus Gold Corp. and accounts payable approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and amounts receivable from Nexus Gold. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar. A one percent change in foreign exchange rates will result in an immaterial change to profit or loss.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

During the six months ended July 31, 2024, the Company incurred the following exploration and evaluation costs related to the properties.

	McKenzie ON, Canada	New Pilot Project BC, Canada	TOTAL
	$	$	$
Balance, January 31, 2023	**2,400,850**	**529,337**	**2,930,187**
Deferred exploration costs:			
Administrative expense	-	-	-
Total exploration costs	-	-	-
Balance, July 31, 2024	**2,400,850**	**529,337**	**2,930,187**

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended January 31, 2024, the Company incurred the following exploration and evaluation costs related to the properties.

	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Black Ridge and Bauline NL, Canada	TOTAL
	$	$	$	$	$
Balance, January 31, 2023	**2,400,500**	**529,337**	**532,085**	**612,119**	**4,074,041**
Deferred exploration costs:					
Administrative expense	350	-	-	-	350
Total exploration costs	**350**	**-**	**-**	**-**	**350**
Impairment	-	-	(532,085)	(612,119)	(1,144,204)
Balance, January 31, 2024	**2,400,850**	**529,337**	**-**	**-**	**2,930,187**

4. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in Canada

New Pilot Project

In January 2019, Nexus Gold issued 350,000 common shares valued at $385,000 to a company with a director in common to acquire a 100% interest in New Pilot Project located in British Columbia, Canada. The acquisition agreement was finalized in February 2019.

On October 12, 2022, the property was spun out to the Company.

McKenzie Property

On February 12, 2019, Nexus Gold entered into a mineral property acquisition agreement to acquire a 100% interest in the McKenzie Island Claims in consideration for a cash payment of $150,000 (paid) and issuance of 400,000 shares (issued). In addition, 30,000 shares valued at $39,000 were issued to the finders of this property. On May 19, 2020, Nexus Gold entered into another mineral property acquisition agreement to acquire two additional claims in consideration for a cash payment of $4,000 (paid) and issuance of 40,000 shares (issued).

On October 12, 2022, the property was spun out to the Company.

Gummy Bear - Terminated

On May 22, 2019, Nexus Gold entered into a mineral property acquisition agreement to acquire a 100% interest in the Gummy Bear claims located in Newfoundland and Labrador, Canada in consideration for an issuance of 400,000 (issued) common shares valued at $360,000. Nexus Gold issued 40,000 common shares valued at $36,000 to a finder of the property. The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for $1,000,000.

On October 12, 2022, the property was spun out to the Company.

During the year ended January 31, 2024, the Company decided not to pursue the Gummy Bear project and an amount of $532,085 was recognized as an impairment loss for the year ended January 31, 2024.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Black Ridge and Bauline - Terminated

On June 17, 2019, Nexus Gold entered into a mineral property acquisition agreement to acquire a 100% interest in the Black Ridge and Bauline claims located in Newfoundland and Labrador, Canada in consideration of the issuance of 550,000 (issued) common shares valued at $495,000. Nexus Gold issued 49,145 common shares valued at $44,230 to a finder of the property.

The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for $1,000,000.

On October 12, 2022, the property was spun out to the Company.

During the year ended January 31, 2024, the Company decided not to pursue the Black Ridge and Bauline project and an amount of $612,119 was recognized as an impairment loss for the year ended January 31, 2024.

Dorset Gold Project

On March 6, 2020, Nexus Gold entered into a mineral property acquisition agreement pursuant to which Nexus Gold could purchase a 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada. Nexus Gold completed this acquisition in fiscal 2021 and acquired the interest in the property by issuing 1,100,000 common shares as consideration and also issued 55,000 common shares to finders; with a total value of $404,250.

On October 12, 2022, the property was spun out to the Company.

Dorset Gold Project - Option Out agreement

On April 22, 2020, Nexus Gold entered into an agreement to grant 100% of the interest in Dorset Gold property to a corporation which had an officer in common with Nexus Gold in consideration of the following:

(a) making cash payments totalling $1,250,000, as follows:
- i) $100,000 (received) on the closing date;
- ii) $50,000, on or before April 22, 2021 (received);
- iii) an additional $100,000, on or before April 22, 2022 (amended – see below);
- iv) an additional $400,000, on or before April 22, 2023 (amended – see below); and
- v) an additional $600,000, on or before April 22, 2024 (amended – see below);

4. EXPLORATION AND EVALUATION ASSETS (continued)

Dorset Gold Project - Option Out agreement (continued)

(b) and by incurring Expenditures of not less than $1,500,000, as follows:
- i) $150,000, on or before the April 22, 2022 (incurred);
- ii) an additional $200,000, on or before April 22, 2023 (incurred);
- iii) an additional $400,000, on or before April 22, 2024; and
- iv) an additional $750,000, on or before April 22, 2025.

The property is subject to a 2% Net Smelter Returns Royalty (“NSR”).

On February 8, 2022, Nexus Gold agreed to amend the terms which replaces the existing property option agreement dated April 22, 2020. Under the terms of the amended agreement, the optionee will continue to hold a right to acquire up to a 100% interest in the project. Considerations for the acquisition are as below:

(a) making cash payments totaling $550,000, as follows:
- i) $100,000 (received) on the closing date;
- ii) $50,000, on or before April 22, 2021 (received);
- iii) $200,000 on or before February 28, 2022 (received); and
- iv) $200,000 on or before February 28, 2023.

(b) issuing to Nexus Gold/the Company 1,000,000 shares, as follows:
- i) 333,333 shares on or before February 28, 2022 (received valued at $63,333);
- ii) 333,333 shares on or before February 28, 2023 (received by Nexus Gold valued at $36,667, recorded as due from Nexus Gold); and
- iii) 333,334 shares on or before February 28, 2024.

On October 12, 2022, the property was spun out to the Company.

On October 25, 2022, the amended agreement was further amended with respect to the fourth payment in the amount of $200,000 that was due on or before February 28, 2023. Under the amended agreement dated October 25, 2022, the optionee agreed to pay $180,000 in full and as final cash consideration on or before October 31, 2022 (received subsequent to the spin-out).

The options payment received from the optionee in excess of the Company’s carrying value of the Dorset property was $180,000 which is recognized as a gain on the Company’s profit or loss for the period from the date of incorporation on January 25, 2022 to January 31, 2023.

Expressed in Canadian Dollars

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of:

	July 31, 2024	January 31, 2024
	$	$
Trade payables	389,742	305,193
Accrued liabilities	25,000	20,000
	399,742	325,193

6. SHARE CAPITAL

Share Capital

During the six months ended July 31, 2024:

There were no additions during the six months ended July 31, 2024.

During the year ended January 31, 2024:

i) In October 2023, the Company closed a non-brokered private placement and issued 5,300,000 units at a price of $0.05 per unit for gross proceeds of $265,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.10 per warrant.

ii) During the year ended January 31, 2024, the Company received $300,000 for 6,000,000 non-flow-through units at $0.05 per unit and $50,000 for 1,000,000 flow-through units at $0.05 per unit for gross proceeds of $350,000. Each non-flow-through unit consists of one non-flow-through common shares of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.10 per warrant for a period of sixty months. Each flow-through unit consists of one flow-through common shares of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of $0.10 per warrant for a period of sixty months. As of January 31, 2024, the Company had not yet issued these units.

Expressed in Canadian Dollars

6. SHARE CAPITAL (continued)

Options

Share-based Compensation Plan:

The Company has a Stock Option Plan ("the Plan) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number issued and outstanding common shares of the Company at the date of grant. The minimum exercise price is set at $0.05. The exercise price of options granted under the Plan may not be less than the discounted market value of the Company's common shares on the date of grant, as calculated pursuant to the policies of the TSX Venture Exchange. Options granted under the Plan have a maximum life of ten years and vest on the date of grant or over periods determined by management. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3-month period.

At July 31, 2024, the Company had no share purchase options outstanding.

Warrants

A summary of changes in warrants during the period is as follows:

	Number of Warrants	Weighted average exercise price
		$
Balance, January 25, 2022 (incorporation)	-	-
Granted	6,440,000	0.10
Balance, January 31, 2023	6,440,000	0.10
Granted	2,650,000	0.10
Balance, January 31, 2024 and July 31, 2024	9,090,000	0.10

As at July 31, 2024, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
	$		
2,550,000	0.10	May 5, 2027	2.76
1,890,000	0.10	July 11, 2027	2.94
2,000,000	0.10	October 12, 2027	3.20
2,650,000	0.10	October 11, 2028	4.20
9,090,000	0.10		2.95

Expressed in Canadian Dollars

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors. Compensation and transactions are recorded at the exchange amount which are the amounts agreed to by key management and entities over which key management have control or significant influence as follows:

	Six months ended July 31, 2024	Six months ended July 31, 2023
	$	$
Consulting fees	30,000	30,000
Geological consulting	-	22,500
Total	30,000	52,500

As at July 31, 2024, the Company owed $99,750 (January 31, 2024 - $68,250) to a company controlled by an officer.

As at July 31, 2024, the Company had a receivable balance of $872,593 (January 31, 2024 - $803,592) from Nexus Gold, a company with certain directors and officers in common.

8. SEGMENTED INFORMATION

The Company has one operating segment being the exploration of exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consists of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

9. CAPITAL MANAGEMENT (continued)

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended July 31, 2024. The Company is not subject to externally imposed capital requirements.