

# **METALLIC MINERALS CORP.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2024 AND  
2023**

**(Unaudited - Expressed in Canadian Dollars)**

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## **NOTICE OF NO AUDITOR REVIEW**

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee and the Board of Directors.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	Note	January 31, 2024	July 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		678,379	5,666,316
Gold investment		427,121	-
Receivables	4	70,425	42,554
Due from related parties	9b	761,736	856,711
Prepaid expenses and deposits	5	85,484	86,827
<b>TOTAL CURRENT ASSETS</b>		<b>2,023,145</b>	<b>6,652,408</b>
<b>Non-current</b>			
Deposits	5	59,486	59,486
Gold investment	6	-	208,014
Exploration and evaluation assets	6	5,646,900	4,474,923
<b>TOTAL ASSETS</b>		<b>7,729,531</b>	<b>11,394,831</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		59,674	582,641
Due to related parties	9b	65,807	63,844
<b>TOTAL CURRENT LIABILITIES</b>		<b>125,481</b>	<b>646,485</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	44,604,613	43,754,613
Share-based payment reserve	8	4,266,189	3,921,365
Accumulated deficit		(41,266,752)	(36,927,632)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>7,604,050</b>	<b>10,748,346</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b>7,729,531</b>	<b>11,394,831</b>

Nature of Operations and Going Concern – Note 1  
Commitment – Note 13

Approved on behalf of the Board:

Gregor Hamilton, Director

Greg Johnson, Director

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2024 and 2023**  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended January 31,		Six months ended January 31,	
		2024	2023	2024	2023
		\$	\$	\$	\$
<b>EXPENSES</b>					
Consulting	9a	115,382	110,775	233,724	221,871
Exploration expenditures	7,9a	1,012,005	(24,106)	3,579,596	2,077,486
Investor relations and corporate development		101,158	97,098	241,987	190,117
Office and administration		37,479	17,113	96,313	48,961
Professional fees		38,285	12,930	61,151	93,021
Property evaluation		517	-	517	10,622
Share-based payment expense	8e,9a	61,133	92,178	153,704	296,193
Transfer agent, regulatory and filing fees		13,239	15,479	18,975	23,113
Travel and accommodation		3,435	641	36,201	1,113
<b>TOTAL EXPENSES</b>		<b>(1,382,633)</b>	<b>(322,108)</b>	<b>(4,412,168)</b>	<b>(2,962,497)</b>
<b>Other Items</b>					
Interest income		12,037	6,994	58,684	17,955
Unrealized gain (loss) on gold investment	6	(3,947)	2,875	14,364	2,875
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(1,374,543)</b>	<b>(312,239)</b>	<b>(4,339,120)</b>	<b>(2,941,667)</b>
<b>Basic and diluted loss per share</b>		<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.03)</b>	<b>(0.02)</b>
<b>Weighted average number of shares outstanding</b>		<b>167,428,549</b>	<b>150,766,858</b>	<b>167,075,288</b>	<b>150,244,230</b>

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - Expressed in Canadian dollars)

	Note	Common shares number	Share capital \$	Share-based payment reserve \$	Deficit \$	Total \$
<b>Balance, July 31, 2022</b>		<b>148,912,280</b>	<b>37,593,061</b>	<b>3,444,612</b>	<b>(32,628,444)</b>	<b>8,409,229</b>
Shares issued for exploration and evaluation assets		275,000	68,750	-	-	68,750
Shares issued pursuant to exercise of options	8b	446,154	321,333	(291,333)	-	30,000
Shares issued pursuant to exercise of warrants	8b	1,250,000	382,368	(82,368)	-	300,000
Share-based payment expense	8e	-	-	296,193	-	296,193
Reclassification of expired options	8e	-	-	(190,498)	190,498	-
Reclassification of expired warrants	8e	-	-	(228,872)	228,872	-
Net loss and comprehensive loss for the period		-	-	-	(2,941,667)	(2,941,667)
<b>Balance, January 31, 2023</b>		<b>150,883,434</b>	<b>38,365,512</b>	<b>2,947,734</b>	<b>(35,150,741)</b>	<b>6,162,505</b>
Private placements, net of issuance costs		15,838,593	5,389,101	791,930	-	6,181,031
Share-based payment expense		-	-	385,374	-	385,374
Reclassification of expired options		-	-	(203,673)	203,673	-
Net loss and comprehensive loss for the period		-	-	-	(1,980,564)	(1,980,564)
<b>Balance, July 31, 2023</b>		<b>166,722,027</b>	<b>43,754,613</b>	<b>3,921,365</b>	<b>(36,927,632)</b>	<b>10,748,346</b>
Shares issued for exploration and evaluation assets		2,500,000	850,000	191,120	-	1,041,120
Share-based payment expense	8e	-	-	153,704	-	153,704
Net loss and comprehensive loss for the period		-	-	-	(4,339,120)	(4,339,120)
<b>Balance, January 31, 2024</b>		<b>169,222,027</b>	<b>44,604,613</b>	<b>4,266,189</b>	<b>(41,266,752)</b>	<b>7,604,050</b>

**METALLIC MINERALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2024 and 2023**  
(Unaudited - Expressed in Canadian dollars)

		Three months ended January 31,		Six months ended January 31,	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
Net loss for the period		(1,374,543)	(312,239)	(4,339,120)	(2,941,667)
Items not involving cash					
Gold investment	6	105,223	-	(204,743)	-
Unrealized loss (gain) on gold investment	6	3,947	-	(14,364)	-
Share-based payment expense	8e	61,133	92,178	153,704	296,193
		<u>(1,204,240)</u>	<u>(220,061)</u>	<u>(4,404,523)</u>	<u>(2,645,474)</u>
Net change in non-cash working capital items	10	<u>(941,879)</u>	<u>(673,851)</u>	<u>(452,557)</u>	<u>(1,627,670)</u>
<b>Cash used in operating activities</b>		<u>(2,146,119)</u>	<u>(893,912)</u>	<u>(4,857,080)</u>	<u>(4,273,144)</u>
<b>INVESTING ACTIVITY</b>					
Acquisition of exploration and evaluation assets	6	-	(47,907)	(130,857)	(248,070)
<b>FINANCING ACTIVITIES</b>					
Proceeds on exercise of options	8b	-	-	-	30,000
Proceeds on exercise of warrants	8b	-	-	-	300,000
<b>Cash provided by financing activities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>330,000</u>
<b>NET CHANGE IN CASH</b>		<u>(2,146,119)</u>	<u>(941,819)</u>	<u>(4,987,937)</u>	<u>(4,191,214)</u>
Cash, beginning of period		<u>2,824,498</u>	<u>1,322,470</u>	<u>5,666,316</u>	<u>4,571,865</u>
<b>CASH, END OF PERIOD</b>		<u>678,379</u>	<u>380,651</u>	<u>678,379</u>	<u>380,651</u>
<b>Supplemental cash flow information (Note 10)</b>					

**METALLIC MINERALS CORP.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JANUARY 31, 2024 AND 2023**  
(Unaudited - Expressed in Canadian dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Metallic Minerals Corp. (the “Company”) was incorporated under the laws of British Columbia on May 3, 2007. The Company was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company is involved in activities that include the acquisition and exploration of mineral properties. The Company’s head office is located at 904 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol “MMG” and the US OTCQB Exchange under the symbol “MMNGF”.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$4,339,120 for the six months ended January 31, 2024 (2023: \$2,941,667), and as of that date had an accumulated deficit of \$41,266,752 (July 31, 2023: \$36,927,632). At January 31, 2024, the Company had a total of \$2,023,145 of current assets (July 31, 2023: \$6,652,408) and a working capital of \$1,897,664 (July 31, 2023: \$6,005,923).

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and the exercise of warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. There remain material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION**

The Company’s condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended July 31, 2023, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended July 31, 2023.

These condensed interim consolidated financial statements were approved by the Board of Directors on March 28, 2024.

**Basis of Consolidation**

The condensed interim consolidated financial statements include the results or financial information of Metallic Minerals Corp. and its wholly-owned subsidiaries as listed in the following table:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Functional currency</b>
Metallic Minerals Corp.	Canada	CAD
536386 Yukon Inc.	Canada	CAD
1219166 B.C. Ltd.	Canada	CAD
Metallic Minerals USA Inc.	USA	CAD

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A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All intercompany balances and transactions have been eliminated upon consolidation.

**3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended July 31, 2023.

**4. RECEIVABLES**

The receivables balance as at January 31, 2024 and July 31, 2023 is comprised of the following:

	<b>January 31, 2024</b>	<b>July 31, 2023</b>
	\$	\$
GST receivable	69,625	41,754
Other	800	800
	<b>70,425</b>	<b>42,554</b>

**5. PREPAID EXPENSES AND DEPOSITS**

The prepaid expenses and deposits balance as at January 31, 2024 and July 31, 2023 is comprised of the following:

	<b>January 31, 2024</b>	<b>July 31, 2023</b>
	\$	\$
Prepaid expenses	63,724	65,067
Deposits	81,246	81,246
	144,970	146,313
Less: non-current portion	(59,486)	(59,486)
	<b>85,484</b>	<b>86,827</b>

As at January 31, 2024 and July 31, 2023, prepaid expenses included various prepaid amounts for filing fees, advertising, memberships and subscriptions, corporate development, conferences, insurance and legal retainers.

The Company engaged ALS Goldspot (formerly GoldSpot Discoveries Corp. and EarthLabs Inc), an arm's length party, to assist in the Company's exploration programs by utilizing its proprietary technology including artificial intelligence. A payment of \$280,000 was made upon engagement and to date invoices of \$263,240 have been drawn down on the advance.

As at January 31, 2024 and July 31, 2023, there are deposits of \$33,750 in relation to the Company's exploration programs and a deposit of \$30,736 has been made in relation to a corporate credit card.

**METALLIC MINERALS CORP.**  
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**6. EXPLORATION AND EVALUATION ASSETS**

A summary of the changes in exploration and evaluation acquisition costs is presented below:

	La Plata Project	Keno Silver Project	Klondike Gold Project	McKay Hill Project	Total
	\$	\$	\$	\$	\$
<b>Balance, July 31, 2023</b>	<b>2,587,519</b>	<b>1,053,659</b>	<b>805,855</b>	<b>27,890</b>	<b>4,474,923</b>
Licensing and maintenance	130,857	-	-	-	130,857
Units issued	1,041,120	-	-	-	1,041,120
<b>Balance, January 31, 2024</b>	<b>3,759,496</b>	<b>1,053,659</b>	<b>805,855</b>	<b>27,890</b>	<b>5,646,900</b>

**LA PLATA PROJECT**

Pursuant to an option agreement dated September 10, 2019, as amended, the Company acquired an option to acquire a 100% interest in the La Plata copper-silver-gold-PGE property in southwest Colorado from two arms-length vendors. The road accessible La Plata property, which is approximately 10 km northeast of the town of Mancos, Colorado, covers approximately 44 km<sup>2</sup> in the historic high-grade La Plata mining district.

In order to earn the 100% interest in the La Plata property, the Company has the following commitments:

- Issue 1,250,000 units to each of the two Shareholders of the optionor within 10 days of receipt of final Exchange approval of the Option Agreement. 2,500,000 units were issued on September 26, 2019 with each warrant having an exercise price of \$0.24. The units were valued at \$582,368;
- Issue 1,250,000 units to each of the two Shareholders of the optionor 30 days after a plan of operations permit is issued for the property. On July 28, 2021 the agreement was amended to deem the date of issuance of the plan of operations permit for these units to be July 15, 2021 with 2,500,000 units issued on July 29, 2021 with each warrant having an exercise price of \$0.62. The units were valued at \$1,312,956;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the first anniversary that the plan of operations permit is actually issued for this property (first anniversary date being January 5, 2024); 2,500,000 units were issued on January 5, 2024 with each warrant having an exercise price of \$0.38. The units were valued at \$1,041,120;
- Issue 1,250,000 units to each of the two Shareholders of the optionor on or before the second anniversary that the plan of operations permit is actually issued for this property (second anniversary date being January 5, 2025); and
- Pay US\$250,000 to each of the two Shareholders of the optionor on or before the third anniversary that the plan of operations permit is actually issued for this Property (third anniversary date being January 5, 2026) and 90 days after the completion of a preliminary economic assessment on the property.

Upon issuance, each of the units will comprise one common share and one-half of a share purchase warrant, with each full warrant exercisable into one common share of the Company for a period of 36 months from issuance at an exercise price equal to 120% of the 20-day volume weighted average trading price of the Company's common shares on the TSX-V on the business day immediately preceding the date of issuance.

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The La Plata property will be subject to a 2% NSR and the Company will have the ability to buy down the NSR to 1.5%.

During the year ended July 31, 2023, the Company acquired 100% interest in 8 patented mineral claims within the La Plata mining district in southwest Colorado. The claims are surrounded by, and contiguous with, unpatented mining claims held by the Company within the greater La Plata property claim outline. These interests were acquired by one-time cash payments totaling \$83,345 (US\$60,000) and the issuance of 275,000 common shares (valued at \$68,750).

**KENO SILVER PROJECT**

The Company's 100% owned flagship Keno Silver project, located in the Keno Hill silver district of Canada's Yukon Territory, comprises 171 km<sup>2</sup> including the Keno-Lightning, Keno Summit, Gram, Cobalt Hill, Keno-East, Duncan Creek, Sourdough Hill, Formo and Silver Queen properties. The Keno Silver project directly adjoins Hecla Mining's Keno Hill operations which are undergoing final mine commissioning and start-up.

**Keno-Lightning Property**

The Keno-Lightning property, which includes Homestake, is the largest property within the Keno Silver project and is subject to a 3% Net Smelter Royalty ("NSR"). The Company has the option to buy back up to 2% of this NSR. The Company acquired additional mining claims during the year ended July 31, 2022 for consideration of \$218,000 in value.

**Keno Summit Property**

The Company owns 100% of 17 claims and five leases on the Keno Summit property. Nine claims are subject to the same NSR as the Gram property, seven claims and two leases are subject to the same NSR as the Silver Queen property, three leases are subject to the same NSR as the Formo property and one claim is not subject to an NSR.

**Gram Property**

The Company owns 100% of the Gram property which consists of 42 claims covering approximately 8.7 km<sup>2</sup> on the east side of the Keno Hill silver district. The Gram property is subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

**Cobalt Hill Property**

The Company owns 100% of the Cobalt Hill property covering 4.2 km<sup>2</sup> that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill silver district. Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

**Keno-East Property**

The Company staked additional ground in the Keno-East target area, which covers the eastern and southern extension of the Keno Hill silver district. The Company owns 100% of these claims and are not subject to any NSR.

**Duncan Creek Property**

The Duncan Creek property was staked by the Company in January 2017 along with other claims totaling approximately 30.2 km<sup>2</sup>. The Company owns 100% of the Duncan Creek claims and they are not subject to any NSR.

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**Sourdough Hill Property**

The Company acquired 100% of the Sourdough Hill property during the year ended July 31, 2022 for consideration of \$327,600 in value. The property includes 30 mining claims in the Keno Hill silver district. The property is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

**Formo Property**

The Company owns 100% of 16 mining leases in the Keno Hill silver district. The Formo property is subject to a 2% NSR for precious metals and a 1% NSR for base metals. The Company has an option to buy back the full NSR.

**Silver Queen Property**

The Company owns 100% of the Silver Queen property which consists of 20 claims primarily on the western end of the Keno Hill silver district. The Silver Queen property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

**KLONDIKE GOLD PROJECT – ROYALTY PORTFOLIO**

The Company's alluvial properties are located on tributaries of the Indian River in the Klondike gold district near Dawson City, Yukon and comprise Australia, Dominion and Melba Creeks. The Company also owns alluvial claims that are managed along with the Klondike Gold project at California Creek east of Dawson City and in the Keno Hill silver district at McKim, Allen, Faith and East Granite Creeks.

During the year ended July 31, 2022, the Company acquired 235 additional placer gold claims in the Keno Silver district for \$58,898 as well as acquiring an alluvial mining lease on Australia Creek for consideration of \$105,000 in value.

**Australia Creek Property**

On September 7, 2017, and amended on December 29, 2017, the Company entered into an option agreement to acquire a 100% interest from underlying claim holders in approximately 26 miles (42 km) of mining rights and 18 miles (29 km) of bench claims along the Australia Creek drainage (the "Australia Creek Property"), a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon.

The Company completed the earn in of their 100% interest during the year ended July 31, 2020 by paying \$37,500 cash and issuing 200,000 common shares on March 31, 2020 (valued at \$30,000) to one vendor and paying cash of \$15,000 to the other vendor.

Under the Australia Creek option agreement, the vendors will receive a 4% royalty on all alluvial gold production from the Company and the Company has the ability to buy back the royalty. On November 6, 2023 the Company paid to the vendors 38.706 ounces of gold valued at \$105,223.

On January 10, 2023, the Company signed a production royalty agreement on 5 ½ miles of alluvial gold claims at its Australia Creek property in the Klondike Gold District of Canada's Yukon Territory, with Little Flake Mine ULC ("Little Flake"), consolidating the three permitted blocks under a single operator. Under the terms of the agreement, Little Flake will be granted exclusive rights to extract gold from the Australia Creek property, with Metallic Minerals receiving a percentage of the production as a royalty. Under the terms of the Australia Creek property agreement, Little Flake must complete a \$1,000,000 minimum annual work commitment and pay Metallic Minerals an annual advance royalty plus a variable royalty on all gold production.

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Pursuant to the agreement, Little Flake has the following commitments:

- Make an initial non-refundable cash payment of \$125,000 on the Effective Date (received on February 27, 2023); and
- Deliver 100 raw ounces of gold representing the annual advance royalty payment having a fineness of not less than 80% on the Effective Date (received on February 28, 2023 - on the effective date the gold value was \$201,896.) As at July 31, 2023 the gold value was \$208,014.
- Pay an annual advance royalty for each of the next five calendar years in the amount of:
  - 100 raw ounces of gold having a fineness of not less than 80%; and
  - Pay a production royalty of 20%, 15% and 16% of all Placer Minerals mined, extracted, recovered, produced, removed or otherwise derived from the Lower Block, Middle Block and Upper Block, respectively. During the six months ended January 31, 2024 the Company received 113.528 ounces of gold valued at \$309,966.

As at January 31, 2024, the market value of the gold investment was \$427,121, a total of \$14,364 was recorded as a gain to the condensed interim consolidated statement of loss and comprehensive loss for the six months ended January 31, 2024.

**Dominion Creek Property**

The Company has a 100% interest in 10 claims of mining rights along a bench of Dominion Creek, a tributary to the Indian River, in the Klondike gold district near Dawson City, Yukon. The Company has a production royalty agreement with respect to these claims under which the Company has granted exclusive mining rights to the Operator in exchange for a 12% royalty on all gold production.

**MCKAY HILL PROJECT**

The Company has a 100% interest in the McKay Hill project, which covers approximately 44 km<sup>2</sup> and is located northeast of the Keno Silver project in the Yukon Territory. The property is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR.

**Silver Hill Property**

The Company owns a 100% interest in 10.7 km<sup>2</sup> of claims 15 km north of the McKay Hill property. The property is not subject to any NSR and is managed along with the McKay Hill project.

**METALLIC MINERALS CORP.**  
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**7. EXPLORATION EXPENDITURES**

A summary of the exploration expenditures incurred for the three months ended January 31, 2024 is presented below:

	<b>La Plata Project</b>	<b>Keno Silver Project</b>	<b>Klondike Gold Project</b>	<b>McKay Hill Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	150,498	62,296	164	-	212,958
Camp costs	630	3,544	754	-	4,928
Consulting	188,155	90,292	25,478	-	303,925
Drilling	241,044	137	-	-	241,181
Equipment and communication	70,541	1,891	47	-	72,479
Fuel	14,849	1,412	1,040	-	17,301
Helicopter	-	6,326	7,387	-	13,713
Lands and permitting	882	33	4,967	-	5,882
Transportation and travel	31,102	1,909	1,404	-	34,415
	<b>697,701</b>	<b>167,840</b>	<b>41,241</b>	<b>-</b>	<b>906,782</b>
Production royalty paid (received) (Note 6)	-	-	105,223	-	105,223
	<b>697,701</b>	<b>167,840</b>	<b>146,464</b>	<b>-</b>	<b>1,012,005</b>

A summary of the exploration expenditures incurred for the three months ended January 31, 2023 is presented below:

	<b>La Plata Project</b>	<b>Keno Silver Project</b>	<b>Klondike Gold Project</b>	<b>McKay Hill Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	51,699	96,313	-	-	148,012
Camp costs	476	714	253	-	1,443
Consulting	26,339	59,950	7,211	-	93,500
Equipment and communication	609	488	-	-	1,097
Fuel	-	1,433	-	-	1,433
Geophysics	17,925	26,555	-	-	44,480
Lands and permitting	70	7,184	103	-	7,357
Transportation and travel	3,120	2,054	293	-	5,467
	<b>100,238</b>	<b>194,691</b>	<b>7,860</b>	<b>-</b>	<b>302,789</b>
Production royalty paid (received) (Note 6)	-	-	(326,895)	-	(326,895)
	<b>100,238</b>	<b>194,691</b>	<b>(319,035)</b>	<b>-</b>	<b>(24,106)</b>

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A summary of the exploration expenditures incurred for the six months ended January 31, 2024 is presented below:

	<b>La Plata Project</b>	<b>Keno Silver Project</b>	<b>Klondike Gold Project</b>	<b>McKay Hill Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	252,388	80,717	164	-	333,269
Camp costs	68,756	77,427	38,987	-	185,170
Consulting	623,851	400,228	93,673	20,858	1,138,610
Drilling	942,282	383,259	54,532	-	1,380,073
Equipment and communication	211,989	7001	6,931	-	225,921
Fuel	73,389	35,219	7,858	-	116,466
Geophysics	-	26,650	-	-	26,650
Helicopter	26,077	150,755	33,016	14,402	224,250
Lands and permitting	13,191	33	18,772	-	31,996
Transportation and travel	80,952	25,175	15,807	-	121,934
	<b>2,292,875</b>	<b>1,186,464</b>	<b>269,740</b>	<b>35,260</b>	<b>3,784,339</b>
Production royalty paid (received) (Note 6)	-	-	(204,743)	-	(204,743)
	<b>2,292,875</b>	<b>1,186,464</b>	<b>64,997</b>	<b>35,260</b>	<b>3,579,596</b>

A summary of the exploration expenditures incurred for the six months ended January 31, 2023 is presented below:

	<b>La Plata Project</b>	<b>Keno Silver Project</b>	<b>Klondike Gold Project</b>	<b>McKay Hill Project</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Analysis	66,717	120,833	-	-	187,550
Camp costs	1,330	120,576	1,835	-	123,741
Consulting	149,697	397,528	32,607	109	579,941
Drilling	670,962	388,564	-	-	1,059,526
Equipment and communication	6,241	20,795	-	-	27,036
Fuel	673	61,222	708	-	62,603
Geophysics	17,925	92,062	-	-	109,987
Helicopter	-	148,265	43,546	-	191,811
Lands and permitting	7,698	8,379	12,067	-	28,144
Transportation and travel	7,600	22,414	4,028	-	34,042
	<b>928,843</b>	<b>1,380,638</b>	<b>94,791</b>	<b>109</b>	<b>2,404,381</b>
Production royalty paid (received) (Note 6)	-	-	(326,895)	-	(326,895)
	<b>928,843</b>	<b>1,380,638</b>	<b>(232,104)</b>	<b>109</b>	<b>2,077,486</b>

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**8. SHARE CAPITAL**

**a) Authorized**

Unlimited common shares without par value.

**b) Share issuance details**

**Six months ended January 31, 2024**

The Company issued 2,500,000 units pursuant to the purchase of the La Plata property (Note 6). Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.38 with an expiry of January 5, 2027. The common shares were valued at the date of issuance (\$850,000) and the warrants were valued at \$191,120 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate 4.17%; expected life in years: 3 years; expected volatility: 68.37% and expected dividends: 0.0%.

**Six months ended January 31, 2023**

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 options with an exercise price of \$0.30 per share for total gross proceeds of \$30,000. The share price on the date of exercise was \$0.36. An additional total of 1,400,000 options were exercised using Share Appreciation Rights ("SARs") and 346,154 common shares were issued.
- The Company issued 1,250,000 common shares pursuant to the exercise of share purchase warrants with a weighted average exercise price of \$0.24 per share for gross proceeds of \$300,000. The weighted average share price on the date of exercise was \$0.27.
- The Company issued 275,000 common shares pursuant to the purchase of more claims on the La Plata property. The common shares were valued at the date of issuance \$68,750.

**c) Stock options**

A summary of the changes in stock options is presented below:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
		<b>\$</b>
Balance, July 31, 2022	13,203,000	0.38
Granted	3,855,000	0.23
Exercised	(1,500,000)	0.30
Cancelled	(350,000)	0.56
Expired	(955,000)	0.60
<b>Balance, July 31, 2023 and January 31, 2024</b>	<b>14,253,000</b>	<b>0.33</b>
<b>Exercisable, January 31, 2024</b>	<b>12,968,000</b>	<b>0.34</b>

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The following stock options were outstanding as at January 31, 2024:

<b>Outstanding</b>	<b>Exercisable</b>	<b>Weighted average exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining life (in years)</b>
		\$		
1,600,000	1,600,000	0.18	February 28, 2024	0.08
818,000	818,000	0.18	August 8, 2024	0.52
1,600,000	1,600,000	0.22	May 8, 2025	1.27
750,000	750,000	0.43	June 22, 2025	1.39
2,120,000	2,120,000	0.60	January 12, 2026	1.95
100,000	100,000	0.65	April 30, 2026	2.25
1,590,000	1,590,000	0.41	March 29, 2027	3.16
1,820,000	1,820,000	0.41	May 5, 2027	3.26
3,855,000	2,570,000	0.23	January 30, 2028	4.00
<b>14,253,000</b>	<b>12,968,000</b>	<b>0.33</b>		<b>2.41</b>

Subsequent to January 31, 2024, a total of 1,600,000 options with an exercise price of \$0.18 were exercised using Share Appreciation Rights ("SARs") and 765,217 common shares were issued.

**d) Warrants**

A summary of the changes in warrants is presented below:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
		\$
Balance, July 31, 2022	18,188,567	0.54
Issued	11,878,944	0.55
Exercised	(1,250,000)	0.24
Expired	(10,153,067)	0.60
<b>Balance, July 31, 2023</b>	<b>18,664,444</b>	<b>0.54</b>
Issued	1,250,000	0.38
<b>Balance, January 31, 2024</b>	<b>19,914,444</b>	<b>0.53</b>

The following warrants were outstanding as at January 31, 2024:

<b>Outstanding</b>	<b>Weighted average exercise price</b>	<b>Expiry date</b>	<b>Weighted average remaining life (in years)</b>
	\$		
1,250,000	0.62	July 29, 2024	0.49
4,800,000	0.50	December 8, 2024	0.85
735,500	0.50	December 30, 2024	0.92
11,878,944	0.55	May 18, 2026	2.30
1,250,000	0.38	January 5, 2027	2.93
<b>19,914,444</b>	<b>0.53</b>		<b>1.82</b>

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**e) Share-based payment expense and reserve**

During the six months ended January 31, 2024, the Company did not grant any stock options.

The weighted average fair value on grant date of the options granted during the six months ended January 31, 2024 was \$nil (2023: \$431,220), or \$nil (2023: \$0.11) per option and total share-based payment expense was \$153,704 (2023: \$296,193) and was recorded in profit or loss. Pursuant to vesting schedules, a portion of the fair value will be expensed in future periods.

During the six months ended January 31, 2023, the Company granted 3,855,000 stock options. The fair value of the stock options that were granted during the six months ended January 31, 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>Jan 30, 2023 options</b>
Risk free interest rate	2.99%
Expected stock price volatility	53%
Expected dividend yield	Nil
Expected option life in years	5.0
Spot price on date of grant	\$0.23

During the six months ended January 31, 2024, the Company reclassified \$nil (2023: \$190,498) from share-based payments reserve to deficit with respect to options that were cancelled and expired during the period and \$nil (2023: \$228,872) with respect to warrants that expired during the period.

**9. RELATED PARTY TRANSACTIONS**

Key management are the persons responsible for the planning, directing, and controlling the activities of the Company. They include both executive officers and directors, and entities associated and controlled by such persons including the following:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company as well as other exploration companies. Costs covered by TruePoint include exploration expenditures (technical work on projects such as drilling, sampling and geophysics), consulting, investor relations, corporate development costs, and other administrative costs. Greg Johnson, CEO of the Company is a minority shareholder of TruePoint.

The amounts paid by the Company for the services provided by key management have been determined by negotiation among the parties and are reviewed and approved by the Company's Board. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

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**a) Compensation**

Compensation paid or payable to key management for the three and six months ended January 31, 2024 and 2023 were as follows:

		<b>Three months ended January 31,</b>		<b>Six months ended January 31,</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Consulting fees	1	106,744	103,423	217,264	205,563
Share-based payments	2	23,195	44,906	58,092	123,711
Transactions with TruePoint	3	614,746	294,369	2,480,928	1,636,757
		<b>744,685</b>	<b>442,698</b>	<b>2,756,284</b>	<b>1,966,031</b>

<sup>1</sup> Consulting fees for the three and six months ended January 31, 2024 and 2023 consisted of fees earned by key management personnel.

<sup>2</sup> Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

<sup>3</sup> Transactions with TruePoint for the six months ended January 31, 2024 consisted of exploration expenditures (\$2,307,547) and investor relations and corporate development fees (\$173,381).

**b) Balances**

The Company's balances due from and owing to key management consisted of the following:

		<b>January 31, 2024</b>	<b>July 31, 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Due from TruePoint	1	711,736	806,711
Due from Greg Johnson	2	50,000	50,000
		<b>761,736</b>	<b>856,711</b>
<b>Current liabilities</b>			
Due to Greg Johnson		45,000	45,000
Due to Scott Petsel		20,807	18,844
		<b>65,807</b>	<b>63,844</b>

<sup>1</sup> This amount was net of cash advances made to TruePoint for future exploration offset by charges from TruePoint.

<sup>2</sup> This amount relates to an expense advance as at January 31, 2024 and July 31, 2023.

Amounts due to and due from key management are unsecured, non-interest-bearing, and have no formal terms of repayment.

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**10. SUPPLEMENTAL CASH FLOW INFORMATION**

The net change in non-cash operating working capital balances for the three and six months ended January 31, 2024 and 2023 consisted of the following:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>January 31,</b>		<b>January 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	144,759	(121,243)	(27,871)	(252,426)
Due to/from related parties	(439,112)	(402,828)	96,938	(1,138,036)
Prepaid expenses and deposits	(25,187)	22,276	1,343	108,597
Accounts payable and accrued liabilities	(622,339)	(172,056)	(522,967)	(345,805)
	<b>(941,879)</b>	<b>(673,851)</b>	<b>(452,557)</b>	<b>(1,627,670)</b>

The non-cash financing and investing transactions for the six months ended January 31, 2024 consisted of the Company issuing 2,500,000 units, comprised of 2,500,000 common shares valued at \$850,000 and 1,250,000 warrants valued at \$191,120 pursuant to the purchase of the La Plata property.

The non-cash financing and investing transactions for the six months ended January 31, 2023 consisted of the Company:

- issuing 346,154 common shares pursuant to the exercise of 1,400,000 options using SARs; and
- Issuing 275,000 common shares valued at \$68,750 pursuant to the purchase of more claims on the La Plata property.

**11. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts receivable, due from related parties, accounts payable and accrued liabilities and due to related parties. The Company has classified its financial instruments as amortized cost.

As at January 31, 2024, the Company believes the carrying values of cash, receivables, due from related parties, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since July 31, 2023.

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**12. SEGMENTED INFORMATION**

The Company has one operating segment, acquisition, exploration, and development of mineral properties. The table below shows consolidated data by geographic segment based on location:

	<b>January 31, 2024</b>	<b>July 31, 2023</b>
	\$	\$
Non-current assets by geographic segment		
Canada	1,946,890	2,154,904
United States	3,759,496	2,587,519
	<u>5,706,386</u>	<u>4,742,423</u>

**13. COMMITMENT**

As a result of the issuance of flow-through units during fiscal 2022, the Company had a commitment to incur \$4,387,320 in qualifying Canadian exploration expenditures prior to December 31, 2023. The Company had incurred all of those qualifying exploration expenditures prior to the December 31, 2023 deadline.