European Energy Metals Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 29, 2024

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of European Energy Metals Corp. (the “Company”) have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three and nine months ended February 29, 2024, have not been reviewed or audited by the Company’s independent auditors.

European Energy Metals Corp.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	**February 29, 2024**	**May 31, 2023**
	$	**$**
	(unaudited)	(audited)
ASSETS		
CURRENT		
Cash	2,460,350	892,711
Amounts receivable	27,197	20,980
Prepayments (Note 6)	61,269	134,684
	2,548,816	1,048,375
Exploration and evaluation assets (Note 5, 7 and 9)	2,389,892	461,231
TOTAL ASSETS	4,938,708	1,509,606
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	189,179	158,903
	189,179	158,903
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	6,237,757	1,725,011
Reserves (Note 8)	1,145,733	651,323
Deficit	(2,633,961)	(1,025,631)
	4,749,529	1,350,703
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,938,708	1,509,606

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on April 29, 2024.

"Larry Taddei" Director

"Jeremy Poirier" Director

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

European Energy Metals Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three Months ended February 29,		Nine Months ended February 29,	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
EXPENSES				
Consulting fees	-	3,600	-	10,800
Filing and Transfer agent fees	24,588	11,718	62,236	16,176
Investor relations and communications	15,000	-	649,794	-
Marketing and advertising	19,748	-	71,765	-
Management fee (Note 9)	66,000	38,281	195,000	113,534
Office & accounting (Note 9)	23,800	4,868	61,588	12,390
Professional fees	17,681	17,097	125,838	41,805
Share-based payments (Note 9)	135,652	-	382,746	-
Travel	1,390	2,251	37,513	2,251
Operating loss	303,858	77,815	1,586,479	196,956
Other income				
Foreign exchange gain	23,602	-	21,921	-
Interest income	(21)	-	(71)	-
NET LOSS AND COMPREHENSIVE LOSS	327,439	77,815	1,608,330	196,956
Basic and diluted loss per share	(0.01)	(0.01)	(0.06)	(0.02)
Weighted average number of common shares outstanding: Basic and diluted	35,181,102	7,875,387	25,484,727	7,473,371

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

European Energy Metals Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine months ended February 29, 2024
(Unaudited - Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance, May 31, 2022	7,272,364	855,658	313,528	(432,151)	737,035
Shares issued for cash, net	12,800,000	1,152,000	-	-	1,152,000
Shares issuance costs	918,799	(346,882)	254,053	-	(92,829)
Shares issued pursuant to the Earn-In Agreement (Note 7)	100,000	50,000	-	-	50,000
Exercise of stock options, net	50,000	14,235	(6,735)	-	7,500
Restricted share compensation	-	-	90,477	-	90,477
Net loss	-	-	-	(196,956)	(196,956)
Balance, February 28, 2023	20,991,163	1,661,006	567,581	(629,107)	1,599,480
Balance, May 31, 2023	21,141,163	1,725,011	651,323	(1,025,631)	1,350,703
Shares issued for cash, net	12,023,354	4,323,367	-	-	4,323,367
Shares issuance costs	695,000	(410,265)	114,857	-	(295,408)
Shares issued from exercise of warrants	97,299	24,644	(3,192)	-	21,452
Shares issued for asset acquisition (Note 5)	1,250,000	575,000	-	-	575,000
Restricted share units granted	-	-	290,581	-	290,581
Restricted share units forfeited	-	-	(10,179)	-	(10,179)
Stock options granted	-	-	102,343	-	102,343
Net loss and comprehensive loss	-	-	-	(1,608,330)	(1,608,330)
Balance, February 29, 2024	35,206,816	6,237,757	1,145,733	(2,633,961)	4,749,529

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

European Energy Metals Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

Nine months ended	February 29, 2024	February 28, 2023
Cash provided by (used in):	**$**	**$**
OPERATING ACTIVITIES		
Net loss	(1,608,330)	(196,956)
Non-cash items		
Share-based payments (Note 8)	382,746	-
Net changes in non-cash working capital items:		
Amounts receivable	(6,217)	(1,764)
Prepayments	73,415	(2,342)
Accounts payable and accrued liabilities	30,276	106,869
Net cash provided (used) in operating activities	(1,128,110)	94,193
INVESTING ACTIVITY		
Additions to exploration and evaluation assets (Note 7)	(1,353,662)	(75,000)
Net cash used in investing activity	(1,353,662)	(75,000)
FINANCING ACTIVITY		
Shares issued for cash, net (Note 8)	4,323,367	1,059,401
Share issuance costs	(295,408)	-
Proceeds on exercise of warrants	21,452	-
Net cash provided by financing activity	4,049,411	1,059,401
Change in cash	1,567,639	890,208
Cash, beginning of period	892,711	576,344
Cash, end of period	2,460,350	1,466,552

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

1. NATURE AND CONTINUANCE OF OPERATIONS

European Energy Metals Corp. (formerly Hilo Mining Ltd.) (the "Company") was incorporated on February 2, 2021 under the laws of British Columbia. The Company commenced trading on the TSX Venture Exchange on April 29, 2022 under the trading symbol "HILO.V". The address of the Company's corporate office and its principal place of business is 503 - 905 Pender Street, Vancouver, British Columbia, Canada, V6C 1L6. The Company was incorporated as a subsidiary of Golden Independence Mining Corp. ("Golden"). On April 25, 2023, the Company changed its name to European Energy Metals Corp. and updated its trading symbol to "FIN".

The Company's principal business activities include the acquisition and exploration of mineral property assets. On April 22, 2021, the Company entered into an arrangement agreement (the "Arrangement") with its parent entity, Golden, whereby the Company issued 1,500,000 common shares to Golden in exchange for Golden's mining claim representing the Champ exploration property (the "Champ Property"). Under the Arrangement, Golden distributed 1,000,000 of the common shares to its shareholders and Golden retained 500,000 common shares of the Company. The Company completed the Arrangement on November 12, 2021. On April 6, 2023, the Company entered into an earn-in agreement (the "Earn-in Agreement") with Capella Minerals Limited (TSXV: CMIL) ("Capella"), the Company has the option to earn up to an 80% interest in a portfolio of reservations held by Capella in central Finland (the "Capella Property"). On September 1, 2023, the Company acquired all the shares of BB Gold Inc., a company existing under the laws of Newfoundland and Labrador and its wholly owned Finnish subsidiary, Sisu Exploration Oy, from a private individual in exchange for the issuance of 1,250,000 common shares and $10,000 cash. Through this acquisition the Company acquired a 100% interest in seven additional mineral reservations covering approximately 3,106.5 square kilometres located in northern and central Finland (the "BB Gold Property").

The Company's unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. The Company has not generated cash flows from operations and has an accumulated deficit of $2,633,961 as at February 29, 2024. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited condensed consolidated interim financial statements.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the relations between NATO and Russian Federation regarding the situation in Ukraine, the Israeli-Palestinian conflict in the Middle East, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Directors of the Company on April 29, 2024.

b) Basis of presentation

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

The accounting policies set out below have been applied consistently to all years presented in these unaudited condensed consolidated interim financial statements.

c) Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its 100% wholly owned subsidiary, BB Gold Inc., and its wholly owned subsidiary Sisu Exploration Oy., (collectively referred to as the "Company"). Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions are eliminated on consolidation.

d) Reclassification of prior period figures

In order to maintain consistency with current period expense classification, comparative information on Condensed Consolidated Interim Statements of Loss and Comprehensive Loss were updated.

e) Foreign currency

The condensed consolidated interim financial statements are presented in Canadian dollars ("CDN"). The functional currency of the Corporation and its subsidiary is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar.

f) Significant accounting policies

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements for the year ending May 31, 2023.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

- The inputs used in valuing share-based payments.

  The Company uses the fair-value method of accounting for share-based payments (related to incentive stock options and compensation warrants granted, modified or settled). Under this method compensation costs attributable to option awards granted are measured at fair value at the issue or grant date and are expensed over the vesting period. In determining the fair value for share-based payments, the Company uses option pricing models and makes estimates of the expected volatility of the stock, the expected life and risk-free rate. The expected volatility is based on historical volatility of the Company's stock over a period commensurate with the expected life of the option. Changes to these estimates could result in the fair value of share-based payments expense being less than or greater than the amount recorded.

Significant accounting judgments

- The evaluation of the Company's ability to continue as a going concern.

  The Company's management has made an assessment of the Company's ability to continue as a going concern. Factors considered by management are disclosed in Note 1.

- Exploration and evaluation assets

  The Company is required to review the carrying value of its exploration and evaluation properties at each reporting date for potential impairment. Impairment is indicated if the carrying value of the Company's exploration and evaluation assets is not recoverable. If impairment is indicated, the amount by which the carrying value of exploration and evaluation assets exceeds their estimated fair value is charged to the statements of comprehensive loss.

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation and political stability in the region, and the impact of current and expected future metal prices on potential reserves.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the nine months ended February 29, 2024 and have not been applied in preparing these condensed consolidated interim financial statements nor does the Company expect these amendments to have a significant effect on its condensed consolidated interim financial statements.

5. ASSET ACQUISITION

On September 1, 2023, the Company acquired all the shares of BB Gold Inc., a company existing under the laws of Newfoundland and Labrador and its wholly owned Finnish subsidiary Sisu Exploration Oy, from a private individual (the "Vendor") in exchange for the issuance of 1,250,000 common shares (the "Consideration Shares") and $10,000 cash. The Consideration Shares are and were subject to the following contractual resale restrictions:

Number of Consideration Shares	Contractual Resale Restriction Period
500,000	No contractual resale restriction
250,000	December 1, 2023
250,000	March 1, 2024
250,000	June 1, 2024

The acquisition constitutes an asset acquisition (the "Transaction"), as the Company does not meet the definition of a business combination as defined in IFRS 3. Through this acquisition the Company acquires a 100% interest in seven mineral reservations covering approximately 3,106.5 km^2 located in northern and central Finland. The Vendor is granted a 1% net smelter royal on six of the seven concessions.

The purchase price allocation requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. As a result of this asset acquisition, $631,411 has been capitalized in Exploration and evaluation assets. The table below summarizes the fair value of the consideration given and the fair values of identified assets and liabilities recognized as a result of the Transaction.

Purchase price		
Fair value of shares issued	$	575,000
Fair value of cash		10,000
Total consideration		585,000
Allocation of purchase price		
Cash		8,602
Sales tax receivable		14,493
Trade and accrued liabilities		(69,506)
Exploration and evaluation assets acquired	$	631,411

(Unaudited - Expressed in Canadian dollars)

6. PREPAYMENTS

Prepayments consist of:

	February 29, 2024	May 31, 2023
	$	$
Administration and insurance	30,593	9,929
Marketing & advertising	30,161	74,755
Property and geological advances	515	50,000
Total	61,269	134,684

7. EXPLORATION AND EVALUATION ASSETS

Expenditures related to the acquisition and exploration of mineral properties consisted of:

	Central Finland Property (Capella)	Northern Finland Property (BB Gold)	Champ Property	Total
	$	$	$	$
Acquisition Costs:				
Balance, May 31, 2022	-	-	236,231	236,231
Acquisition pursuant to Earn-In Agreement	150,000	-	-	150,000
Balance, May 31, 2023	150,000	-	236,231	386,231
Exploration and evaluation assets acquired from the Transaction (Note 5)	-	631,411	-	631,411
Balance, February 29, 2024	150,000	631,411	236,231	1,017,642
Exploration Costs:				
Balance, May 31, 2022	-	-	-	-
Additions	-	-	75,000	75,000
Balance, May 31, 2023	-	-	75,000	75,000
Additions	1,297,250	-	-	1,297,250
Balance, February 29, 2024	1,297,250	-	75,000	1,372,250
Total, May 31, 2023	150,000	-	311,231	461,231
Total, February 29, 2024	**1,447,250**	**631,411**	**311,231**	**2,389,892**

The following table summarizes the accumulated expenditures of exploration and evaluation costs:

As at February 29, 2024	Central Finland Property (Capella)	Northern Finland Property (BB Gold)	Champ Property	Total
Field supplies	105,993	-	-	105,993
Geological and related	335,704	-	-	335,704
Geological consulting	640,967	-	-	640,967
Surveying	-	-	75,000	75,000
Travel	214,585	-	-	214,585
Total	1,297,250	-	75,000	1,372,250

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Capella Property

Pursuant to an earn-in agreement (the "Earn-In Agreement") dated April 6, 2023, with Capella Minerals Limited ("Capella"), the Company has the option to earn up to an 80% interest in a portfolio of reservations held by Capella in central Finland (the "Capella Property"). The property is subject to a 1% net smelter return royalty and the Company is the operator of the project.

Terms of the Earn-In Agreement:

The Company has the option to earn a 51% interest in the Property (the "Initial Option") by

(i) making a cash payment of $100,000 (paid) and issuing 100,000 common shares (issued and valued at $50,000) to Capella upon receiving TSX Venture Exchange approval of the Earn-In Agreement (approval received);
(ii) completing $500,000 in expenditures on the Property and issuing 150,000 common shares to Capella on before the first anniversary of the Earn-In Agreement (subsequently amended – see below and Note 12); and
(iii) completing an additional $500,000 in expenditures on the Property, paying $100,000 in cash and issuing 250,000 common shares to Capella on or before the second anniversary of the Earn-In Agreement (subsequently amended – see below and Note 12).

Following exercise of the Initial Option, the Company will have a further option to earn an additional 29% interest in the Capella Property (the "Final Option") by:

(i) completing an additional $500,000 in expenditures on the Capella Property, paying $150,000 in cash and issuing 750,000 common shares to Capella on or before the third anniversary of the Earn-In Agreement (subsequently amended – see below and Note 12); and
(ii) completing and additional $1,000,000 in expenditures on the Property, paying $150,000 in cash and issuing 750,000 common shares to Capella on or before the fourth anniversary of the Earn-In Agreement (subsequently amended – see below and Note 12).

If, on the date of the exercise of the Final Option, the Property hosts a mineral resource equal to or greater than 10 million metric tons with a minimum average grade of 1.0% Lithium Oxide (Li2O), the Company will make a bonus cash payment of $500,000 and issue 1,000,000 common shares to Capella (subsequently amended – see below and Note 12). The Company has the option to form a joint venture with Capella upon exercise of the Initial Option or to defer the joint venture formation until the exercise of the Final Option (subsequently amended – see below and Note 12).

Subsequent to the quarter ended February 29, 2024, on April 5, 2024, the Company announced that it entered into an amended agreement (the “Purchase Agreement”) with Capella to now acquire a 100% interest in the lithium Finnish Pegmatite Project. Whereas the Project was currently subject to the two stage 51/80% earn-in agreement as outlined above, the Purchase Agreement replaces the Earn-In Agreement in its entirety, and, upon completion of the transaction, the Company will hold a 100% interest in the project with no further commitments due to Capella.

Under the terms of the Purchase Agreement, upon closing, the Company has agreed to pay Capella $250,000 in cash and issue 1,100,000 common shares of the Company (the "Consideration Shares"). Capella will also receive a 2% net smelter royalty on the Project, half of which may be repurchased by the Company at any time in exchange for the payment of 1,000,000 Euro. The Consideration Shares will be subject to a statutory four month hold period as well as contractual restrictions on resale. Completion of the transaction remains subject to the approval of the TSX Venture Exchange.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

BB Gold Property

On September 1, 2023, the Company completed an acquisition of seven mineral reservations located in northern and central Finland (Note 5). Pursuant to the transaction, the Company acquired all of the shares of BB Gold Inc., a company existing under the laws of Newfoundland and Labrador and its wholly owned Finnish subsidiary Sisu Exploration Oy, the direct owner of the concessions, from a private individual (the “Vendor”) in exchange for the issuance of 1,250,000 common shares, some with contractual resale restrictions and $10,000 cash. The Vendor was granted a 1% net smelter royal on six of the seven concessions.

Through the Transaction with BB Gold Inc., the Company acquired a 100% interest in seven Mineral Reservations in Northern and Central Finland covering approximately 3,106.5 km^2 and consequently capitalized exploration and evaluation assets of $631,411.

Champ Property

Pursuant to an option agreement (the “Agreement”) dated August 24, 2017, Golden was granted an option to acquire a 100% undivided interest in the Champ Property located in the Greenwood Mining District of British Columbia. In accordance with the Agreement, Golden acquired a 100% undivided interest in the Champ Property with the optionor retaining a 2% net smelter return royalty on the Champ Property. Golden has the right to purchase the first 1% of the royalty for $1,000,000 and the remaining 1% for $1,000,000 at any time during the five-year period starting from the date of commencement of commercial production.

Prior to the closing of the Arrangement (Note 1) with the Company’s parent, Golden, the Company and Golden entered into an Asset Purchase Agreement pursuant to which the Company acquired Golden's interest in the Champ Project in exchange for the issuance of 1,500,000 common shares of the Company. The fair value of the Champ Property was determined to be $236,231 at the date of the transaction.

8. SHARE CAPITAL

a) Authorized

The Company’s authorized capital consists of an unlimited number of common shares without par value.

On April 22, 2022, the Company entered into an escrow agreement with various security holders and an escrow agent. As of February 29, 2024, 1,043,380 (May 31, 2023 – 1,391,172) shares were held in escrow.

8. SHARE CAPITAL (CONTINUED)

b) Issued and outstanding

Share capital activities during the nine months ended February 29, 2024, and the year ended May 31, 2023 are as follows:

- On October 20, 2023, the Company completed a non-brokered private placement (the "Private Placement") consisting of 5,787,800 units ("Units") at a price of $0.36 per Unit for total gross proceeds of $2,083,608. Each Unit consists of one common share (a "Share") and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional common share at an exercise price of $0.75 until October 20, 2026. In connection with the Private Placement, the Company paid aggregate cash finder's fees of $145,152, issued 695,000 Shares with a fair value of $264,100, and issued 14,000 finder's broker warrants with a fair value of $2,926. The finder's warrants have the same terms of the Warrants forming part of the Units.

- On September 1, 2023, the Company completed an asset acquisition. Pursuant to the acquisition, the Company issued 1,250,000 common shares with a fair value of $575,000 (Note 5).

- On June 22, 2023, the Company completed a non-brokered private placement (the “Private Placement”). Pursuant to the Private Placement, the Company issued 6,235,554 units ("Units") at a unit price of $0.36 for gross proceeds of $2,244,799. Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at an exercise price of $0.75 for a period of three years following closing. In connection with the Private Placement, the Company paid aggregate cash finder's fees of $104,504 and issued 324,869 finder's broker warrants with a fair value of $111,932. The finder's warrants have the same terms of the Warrants forming part of the Units.

- On June 5, 2023, 47,299 brokers’ warrants were exercised to 47,299 common shares for gross proceeds of $14,190 at an exercise price of $0.30 per share.

- On May 30, 2023, 50,000 stock options were exercised to 50,000 common shares for gross proceeds of $7,500 at an exercise price of $0.15 per share.

- On April 10, 2023, the Company executed the Earn-In Agreement and issued 100,000 common shares valued at $50,000 (Note 7).

- On February 24, 2023, the Company closed a non-brokered private placement and issued 12,800,000 units at a unit price of $0.09 per unit, for gross proceeds of $1,152,000. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant (a “Warrant”) is exercisable for one additional common share at an exercise price of $0.15 for a period of 18 months. The Company incurred cash finder’s fees of $64,316 and issued 918,799 finder's units with a fair value of $254,053. Each finder’s unit consists of one common share and one whole broker warrant at an exercise price of $0.15 for a period of 18 months.

b) Restricted Share Units (“RSU”)

The Company adopted a RSU plan during the year ended May 31, 2023 after the shareholders approved a new rolling 10% restricted share unit plan (the “RSU Plan”). The maximum number of Common Shares which may be issuable under the RSU Plan and any other “rolling up to 10%” plans adopted by the Company (including the Company’s stock option plan), from time to time,

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

b) Restricted Share Units ("RSU") (continued)

shall be equal to a maximum of 10% of the total number of issued and outstanding Common Shares calculated on the date an RSU is granted. The RSU Plan is an "evergreen" plan meaning any RSU converted to Common Shares will, subject to the overall limit described above, make new grants available under the RSU Plan resulting in a reloading of the number of RSUs available for grant.

On September 18, 2023, the Company granted 100,000 RSUs to a consultant of the Company, which had a fair value of $0.39 per RSU, all of which vest in one year from the grant date. The Company expensed $17,416 included in share-based compensation expense for the nine months period ended February 29, 2024 (2023 - $nil) related to this grant.

On July 17, 2023, the Company granted 50,000 RSUs to a consultant of the Company, which had a fair value of $0.59 per RSU, all of which vest in one year from the grant date. The Company expensed $18,266 included in share-based compensation expense for the nine months period ended February 29, 2024 (2023 - $nil) related to this grant.

On June 5, 2023, 90,000 unvested RSUs were forfeited. The fair value of the unvested RSUs is $10,179 and was reversed to profit or loss during the period.

On March 6, 2023, the Company granted 800,000 RSUs to certain directors, officers and consultants of the Company, which had a fair value of $0.48 per RSU, all of which vest in one year from the grant date. The Company expensed $335,198 included in share-based compensation expense for the nine months period ended February 29, 2024 (2023 - $nil) related to this grant.

A continuity schedule of the Company's outstanding restricted share units is as follows:

	Number outstanding	Weighted Average Fair Value ($)
Balance, May 31, 2022	-	-
Granted	800,000	0.48
Balance, May 31, 2023	800,000	0.48
Granted	150,000	0.46
Forfeited	(90,000)	0.48
Balance, February 29, 2024	860,000	0.48

c) Stock Options

Stock option transactions and the number of stock options outstanding are summarized below:

	Number of Options	Weighted Average Exercise Price ($)
Balance, May 31, 2022	550,000	0.15
Exercised	(50,000)	0.15
Balance, May 31, 2023	500,000	0.15
Granted	500,000	0.44
Balance, February 29, 2024	1,000,000	0.30

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

c) Stock Options (continued)

Additional information regarding stock options outstanding is as follows:

Expiry Date	Exercise Price ($)	Number of Options
February 1, 2027	0.15	500,000
July 17, 2028	0.59	100,000
September 6, 2028	0.41	250,000
September 18, 2028	0.40	150,000
Balance, February 29, 2024		1,000,000

The weighted average remaining life of the stock options as of February 29, 2024 is 3.71 (May 31, 2023 – 3.84) years.

During the nine months ended February 29, 2024 and the year ended May 31, 2023, the following stock option grants occurred:

On September 18, 2023, the Company granted 150,000 stock options with an expiry date of September 18, 2028 and an exercise price of $0.40 to an employee of the Company. The stock options had a fair value of $46,481. 30,000 of these options vested immediately and 30,000 vests on December 18, 2023, March 18, 2024, June 18, 2024, and September 18, 2024. The options expire five years from the date of grant.

On September 6, 2023, the Company granted 250,000 stock options with an expiry date of September 6, 2028 and an exercise price of $0.41 to a director of the Company. The stock options had a fair value of $80,521. 62,500 of these options vests on December 6, 2023, March 6,2024, June 6, 2024, and September 6, 2024. The options expire five years from the date of grant.

On July 17, 2023, the Company granted 100,000 stock options with an expiry date of July 17, 2028 and an exercise price of $0.59 to a consultant of the Company. The stock options had a fair value of $46,921. 50,000 of these options vested immediately and the remaining 50,000 vest on July 17, 2024. The options expire five years from the date of grant.

The stock options were valued using the Black-Scholes option pricing model using the following weighted average assumptions:

As at	February 29, 2024	May 31, 2023
Risk-free interest rate	2.79%	1.65%
Dividend yield	0%	0%
Expected volatility	127.36%	144.56%
Expected life (years)	5	5
Forfeiture rate	0%	0%

The expected volatility used for the stock options granted is based on the historical share prices of comparable companies.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

d) Share Purchase Warrants

Share Purchase Warrants transactions and the number of warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, May 31, 2022	-	-
Granted	6,400,000	0.15
Balance, May 31, 2023	6,400,000	0.15
Granted	6,011,677	0.75
Exercised	(50,000)	0.15
Balance, February 29, 2024	12,361,677	0.44

The number of Share Purchase Warrants outstanding are as follow:

Expiry Date	Exercise Price ($)	Issued and Exercisable
August 24, 2024	0.15	6,350,000
June 22, 2026	0.75	3,117,777
October 20, 2026	0.75	2,893,900
Balance, February 29, 2024		12,361,677

The weighted average remaining life of the Share Purchase Warrants as of February 29, 2024 is 1.45 (May 31, 2023 – 1.24) years.

e) Broker Warrants

	Number of Compensation Warrants	Weighted Average Exercise Price ($)
Balance, May 31, 2022	47,299	0.30
Granted	918,799	0.15
Balance, May 31, 2023	966,098	0.27
Granted	338,869	0.75
Exercised	(47,299)	0.30
Balance, February 29, 2024	1,257,668	0.31

The number of broker warrants outstanding are as follow:

Expiry Date	Exercise Price ($)	Issued and Exercisable
August 24, 2024	0.15	918,799
June 22, 2026	0.75	324,869
October 20, 2026	0.75	14,000
Balance, February 29, 2024		1,257,668

The weighted average remaining life of the brokers' warrants as of February 29, 2024 is 0.98 (May 31, 2023 – 1.2) years.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (CONTINUED)

e) Broker Warrants (continued)

The broker warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions:

As at	February 29, 2024	May 31, 2023
Risk-free interest rate	4.42%	4.16%
Dividend yield	0%	0%
Expected volatility	164.27%	181.24%
Expected life (years)	1.90	1.52
Forfeiture rate	0%	0%

The expected volatility of the broker warrants granted is based on the historical share prices of comparable companies.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Nine months ended	February 29, 2024 $	February 28, 2023 $
Consulting fees recognized in exploration and evaluation assets	20,000	-
Management fees	195,000	113,534
Office and accounting	29,985	13,539
Share-based payments	257,498	-

The Company entered into a month-to-month office sublease agreement on February 1, 2022 with a director and officer of the Company with a rate of $762 per month, which is recognized in office and accounting expense.

At February 29, 2024, $ 26,743 (May 31, 2023 - $121,414) related to management fees and professional fees payable to related parties remained in accounts payable and accrued liabilities. The amounts payable are non-interest-bearing, unsecured, due on demand and have no fixed terms of repayment.

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value

As at February 29, 2024, the Company's financial instruments consist of cash and accounts payable.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The fair value of cash is based on Level 1 inputs. There are no Level 2 or Level 3 financial instruments.

The Company's financial instruments include cash and accounts payable. Cash is measured at fair value and account payable is measured at amortized cost.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The financial instrument that potentially subjects the Company to concentrations of credit risk consists principally of cash. To minimize the credit risk, the Company places its cash with high quality financial institutions.

Liquidity risk

The Company manages liquidity risk through the management of its capital structure, as outlined in Note 10. The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuances when required.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates.

The Company operates in Canada and Finland and is exposed to foreign exchange risk related to changes in the Canadian dollar to Euros exchange rate. The Company is exposed to currency risk related to changes in rates of exchange between foreign denominated balances and the functional currencies of the Company's principal operations. The Company's operating expenditures on its Capella Property and BB Gold Property are primarily denominated in Euros. A significant change in the currency exchange rates between Canadian dollars and Euros could have a material effect on the Company's cost of exploration activities in Finland.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk.

12. SUBSEQUENT EVENTS

On April 5, 2024, the Company announced that it had entered into an amended agreement with Capella Minerals Ltd. (TSXV: CMIL) ("Capella") to now acquire a 100% interest in the lithium Finnish Pegmatite Project. Whereas the Project was currently subject to a two stage 51/80% earn-in agreement (the "Earn-In Agreement") between the Company and Capella, the Purchase Agreement replaces the Earn-In Agreement in its entirety, and, upon completion of the transaction, the Company will hold a 100% interest in the project with no further commitments due to Capella.

Under the terms of the Purchase Agreement, upon closing, the Company has agreed to pay Capella $250,000 in cash and issue 1,100,000 common shares of the Company (the "Consideration Shares"). Capella will also receive a 2% net smelter royalty on the Project, half of which may be repurchased by the Company at any time in exchange for the payment of 1,000,000 Euro. The Consideration Shares will be subject to a statutory four month hold period as well as contractual restrictions on resale. The Consideration Shares have been issued, and the transaction has been approved by the TSX Venture Exchange. All the requirements have been met and the transaction is now completed.