



## **Condensed Consolidated Interim Financial Statements**

**For the Three Months Ended August 31, 2024**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated 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 consolidated interim financial statements of iMetal Resources Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

**iMetal Resources Inc.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	Notes	August 31, 2024	May 31, 2024
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 10,414	\$ 12,369
Amounts receivable		8,976	8,630
Prepays		46,972	64,449
		66,362	85,448
<b>Non-current</b>			
Exploration and evaluation assets	3	5,713,545	5,705,729
Equipment	4	3,839	4,150
<b>TOTAL ASSETS</b>		<b>\$ 5,783,746</b>	<b>\$ 5,795,327</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 466,154	\$ 434,277
Due to related parties	5	251,117	163,010
Flow-through premium liability	7	81,048	81,537
<b>Total liabilities</b>		798,319	678,824
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock	6	49,454,484	49,454,484
Reserves	6	4,677,146	4,675,092
Deficit		(49,146,203)	(49,013,073)
<b>Total shareholders' equity</b>		4,985,427	5,116,503
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 5,783,746</b>	<b>\$ 5,795,327</b>

Nature of operations and going concern – Note 1  
Contingencies – Note 12

These condensed consolidated interim financial statements were approved by the Board of Directors on October 28, 2024. They were signed on the Company's behalf by:

*"Scott Davis"*

Director

*"Saf Dhillon"*

Director

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

**iMetal Resources Inc.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
**For the Three Months Ended August 31,**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	Notes	2024	2023
<b>OPERATING EXPENSES</b>			
Consulting	5	\$ 78,630	\$ 91,536
Depreciation	4	311	445
Interest		-	-
Rent		4,500	4,500
Marketing		7,500	101,043
Office and administration		14,001	22,562
Property investigation	5	1,670	-
Professional fees	5	10,133	15,944
Share-based payments	5&6	2,054	4,178
Transfer agent and listing fees		5,898	7,817
Travel and promotion		8,922	31,394
<b>Loss from operations</b>		<b>(133,619)</b>	<b>(279,419)</b>
<b>OTHER ITEMS</b>			
Amortization of flow-through premium liability	7	489	7,647
Gain on debt settlement		-	-
		<b>(133,130)</b>	<b>7,647</b>
<b>Loss and comprehensive loss for the period</b>		<b>\$ (133,130)</b>	<b>\$ (271,772)</b>
Loss per common share – basic and diluted		\$ (0.02)	\$ (0.05)
Weighted average number of common shares outstanding - basic and diluted		5,607,960	5,087,960

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

**iMetal Resources Inc.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**For the Three Months Ended August 31,**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period		\$ (133,130)	\$ (271,772)
Items not affecting cash:			
Depreciation	4	311	445
Share-based payments	6	2,054	4,178
Amortization of FT premium liability	7	(489)	(7,647)
Changes in non-cash working capital items:			
Amounts receivable		(346)	71,557
Prepays		17,477	38,794
Accounts payable and accrued liabilities		24,061	(44,142)
Due to related parties	5	88,107	11,302
Net cash used in operating activities		(1,955)	(197,285)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation assets		-	(164,202)
Net cash used in investing activities		-	(164,202)
Change in cash for the period		(1,955)	(361,487)
Cash, beginning of the period		12,369	893,539
Cash, end of the period		\$ 10,414	\$ 532,052

**Supplemental cash flow Information (Note 11)**

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

iMetal Resources Inc.  
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Capital Stock		Reserves	Deficit	Total
	Number of shares*	Amount			
<b>Balance – May 31, 2023</b>	<b>5,607,960 \$</b>	<b>49,133,964 \$</b>	<b>4,634,146 \$</b>	<b>(46,748,903) \$</b>	<b>7,019,207</b>
Share-based payments	-	-	4,178	-	4,178
Loss and comprehensive loss for the period	-	-	-	(271,772)	(271,772)
<b>Balance – August 31, 2023</b>	<b>5,607,960 \$</b>	<b>49,133,964 \$</b>	<b>4,638,324 \$</b>	<b>(47,020,675) \$</b>	<b>6,751,613</b>
<b>Balance – May 31, 2024</b>	<b>5,607,960</b>	<b>\$ 49,454,484 \$</b>	<b>4,675,092 \$</b>	<b>(49,013,073) \$</b>	<b>5,116,503</b>
Share-based payments	-	-	2,054	-	2,054
Loss and comprehensive loss for the period	-	-	-	(133,130)	(133,130)
<b>Balance – August 31, 2024</b>	<b>5,607,960</b>	<b>\$ 49,454,484 \$</b>	<b>4,677,146 \$</b>	<b>(49,146,203) \$</b>	<b>4,985,427</b>

\*On March 1, 2024, the Company completed a share consolidation of all issued and outstanding common shares on a ten-for-one basis.

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

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

---

**1. Nature of Operations and Going Concern**

The Company is engaged in the exploration and evaluation of mineral properties in Ontario and Quebec, Canada and has not yet determined whether these properties contain National Instrument 43-101 compliant ore reserves that are economically recoverable. The exploration programs undertaken and proposed constitute an exploratory search and the evaluation of historic resources. There is no assurance that the Company will be successful in its search and evaluation. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and evaluation programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written-off, and do not necessarily represent present or future values. The recovery of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and evaluation of such a property or properties and ultimately upon future profitable production from a property or properties or the realisation of proceeds from the disposition thereof. At August 31, 2024, the Company has a working capital deficiency of \$731,957 (May 31, 2024 – \$593,376), incurred losses since inception and at August 31, 2024 has an accumulated deficit of \$49,146,203 (May 31, 2024 - \$49,013,073).

The Company requires additional funds to continue operations, to explore its mineral properties and to maintain its property interests. Management is actively seeking additional financing and, while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. These matters raise significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

On March 1, 2024, all issued and outstanding common shares of the Company were consolidated on a 10:1 basis. All references to share and per share amounts have been retroactively restated to reflect the share consolidation.

The head office, principal address, registered address and records office of the Company are located at 550, 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company's shares are traded on the Tier 2 of the TSX Venture Exchange ("TSX-V") under the symbol "IMR.V" and on the OTCQB under the symbol "ADTFF" as well as on Frankfurt Exchange under the symbol "A7V".

**2. Material Accounting Policy Information**

**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed consolidated interim financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at August 31, 2024 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed consolidated interim financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2024.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed consolidated interim financial statements. Interim results are not necessarily indicative of the results expected for the year ending May 31, 2025.

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

---

**Basis of Presentation**

These condensed consolidated interim financial statements have been prepared on a historical basis except for items at fair value and have been prepared using the accrual basis of accounting, except cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

**Basis of Consolidation**

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. These condensed consolidated interim financial statements include the accounts of iMetal Resources Inc. and its wholly-owned subsidiary Risorse Dei Minerali Naturali S.R.L (“RMN”), a company incorporated in the province of Grosseto, Italy.

**Significant Accounting Judgments, Estimates and Assumptions**

Judgements, estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgments, estimates and assumptions made by management in applying the Company's accounting policies were the same as those that applied to the Company's audited consolidated financial statements for the year ended May 31, 2024.



iMetal Resources Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months Ended August 31, 2024  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

3. Exploration and Evaluation Assets

	Gowganda West	Ghost Mountain	Kerrs Gold	Mosher Lake	Carheil	Other Properties	Total
<b>Balance – May 31, 2023</b>	<b>\$ 3,941,810</b>	<b>\$ 235,134</b>	<b>\$ 1,141,809</b>	<b>\$ 278,875</b>	<b>\$ 660,930</b>	<b>\$ 23,298</b>	<b>\$ 6,281,856</b>
<b>Acquisition costs:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Exploration costs:</b>							
Assays, staking and mapping	100,686	1,348	19,238	-	36,137	12,364	169,773
Consulting	45,679	1,123	22,093	-	114,837	1,440	185,172
Claims leases and permits	2,450	-	1,320	-	3,956	-	7,726
Drilling	(73,163)	-	-	-	302,323	-	229,160
Equipment rental and field work	-	-	-	-	5,964	-	5,964
Office, miscellaneous and travel	1,831	-	5,053	-	8,707	-	15,591
Write-off	-	-	(1,189,513)	-	-	-	(1,189,513)
	77,483	2,471	(1,141,809)	-	471,924	13,804	(576,127)
<b>Balance – May 31, 2024</b>	<b>\$ 4,019,293</b>	<b>\$ 237,605</b>	<b>\$ -</b>	<b>\$ 278,875</b>	<b>\$ 1,132,854</b>	<b>\$ 37,102</b>	<b>\$ 5,705,729</b>
<b>Acquisition costs:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Exploration costs:</b>							
Consulting	6,590	-	-	-	1,670	-	8,260
Drilling	-	-	-	-	(10,998)	-	(10,998)
Equipment rental and field work	-	-	-	-	10,554	-	10,554
	6,590	-	-	-	1,226	-	7,816
<b>Balance – August 31, 2024</b>	<b>\$ 4,025,883</b>	<b>\$ 237,605</b>	<b>\$ -</b>	<b>\$ 278,875</b>	<b>\$ 1,134,080</b>	<b>\$ 37,102</b>	<b>\$ 5,713,545</b>

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

---

**Ontario, Canada**

*a) Gowganda West Property*

During the year ended May 31, 2017, the Company entered into an option agreement for mineral properties in Gowganda, Ontario. The option agreement included cash payments totalling \$200,000 and share issuances totalling 8,000 common shares.

During the year ended May 31, 2021, each of the four underlying property vendors agreed to modify the existing NSR agreements to the new terms in exchange for a cash payment of \$5,000 (paid) and the issuance of 3,000 common shares (issued) of the Company. The amended residual Net Smelter Return (NSR) royalties to the underlying property vendors include:

- Gowganda West NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for \$1,000,000;
- Mosher Lake NSR remains at 2% with the Company now holding the option to buy back 50% reducing the NSR to 1.0% at any time up to production for \$1,000,000;
- Ghost Mountain NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for \$1,000,000.

As a result, the Company acquired the 100% ownership of the Gowganda West Property as per the amended option agreement stated above.

*b) Ghost Mountain Property*

During the year ended May 31, 2021, the Company acquired the 100% ownership of the Ghost Mountain Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property*.

*c) Mosher Lake Property*

During the year ended May 31, 2021, the Company acquired the 100% ownership of the Mosher Lake Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property*.

*d) Kerrs Gold Property*

On January 24, 2022, the Company entered into a purchase option agreement (the "Option Agreement") with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the "Vendors") pursuant to which it would be granted the right to acquire the Kerrs Gold Deposit ("Deposit").

To acquire the Deposit, the Company was required to issue 350,000 common shares (the "Consideration Shares") and complete a series of four cash payments totaling \$210,000 to the Vendors. The transaction details as below:

Due date	Cash	Common shares
Upon receipt of the TSXV's approval on April 1, 2022	\$60,000 (Paid)	350,000 (issued)
On April 1, 2023	\$50,000 (Paid)	-
On April 1, 2024*	\$40,000	-
On April 1, 2025	\$60,000	-

\*On March 12, 2024, the Company announced the termination of its option on the Kerrs Gold property.

Following completion of the above cash payments and share issuances, the Company acquired the Deposit and granted to the Vendors a three percent royalty (the "Royalty") on net smelter returns from the Deposit. The Company may acquire 2% of the Royalty from the Vendors at any time by completing a one-time cash payment of \$2,000,000. On September 28, 2022, the Company further completed and expanded its existing option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (collectively, the "Vendors") to expand the scope of the Kerrs Gold Deposit by acquiring an additional 137 hectares of the Property. As a result of the extension of acquisition, the

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

---

Company issued the Vendors a further 20,000 common shares at a fair market value of \$16,000 and reimbursed the Vendor for the expenses of \$48,130 associated with maintaining the additional area. The Company also incurred acquisition cost of \$400 related to an application for a claim extension for the Kerrs Gold Property.

During the year ended May 31, 2024, the Company terminated its option on the Kerrs Gold Property. Accordingly, the Company recorded a write-down of exploration and evaluation assets of \$1,189,513.

**Quebec, Canada**

*a) Carheil Property*

During the year ended May 31, 2016, the Company acquired mineral properties in Quebec from Skyworld Holdings Limited (“Skyworld”). The terms of the acquisition include:

- Skyworld would receive \$15,000 upon signing of a definitive agreement (paid);
- Skyworld would receive \$10,000 each year for five years for a total of \$50,000 starting in the year following the year of the initial \$15,000 payment and the signing of the definitive agreement (paid in full);
- The Company would issue 1,600 shares to Skyworld upon the closing of the transaction (issued at a value of \$20,000);
- The Company would issue 2,000 additional shares per year for three years for a total of 6,000 shares, starting in the year following the year after the closing of the transaction (issued in full at a value of \$75,000); and
- Finder’s fees were paid by issuing 760 shares valued at \$9,500 to an arm’s length third party in connection with this transaction.

During the year ended May 31, 2018, the Company renewed the 54 claims to August 2020 and during the year ended May 31, 2019, the Company renewed the 54 claims to August 2023. During the year ended May 31, 2024 the Company further renewed these 54 claims to August 2025.

**4. Equipment**

	<b>Vehicle \$</b>
<b>Cost:</b>	
Balance at August 31, 2024 and May 31, 2024 and 2023	29,046
<b>Accumulated depreciation:</b>	
Balance at May 31, 2023	(23,118)
Depreciation	(1,778)
Balance at May 31, 2024	(24,896)
Depreciation	(311)
Balance at August 31, 2024	(25,207)
<b>Carrying amount:</b>	
May 31, 2024	4,150
August 31, 2024	3,839

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

---

**5. Related Party Transactions**

Key management personnel

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 and/or companies controlled by those individuals. The aggregate value of compensation with key management for the period ended August 31, 2024 was \$67,500 (2023 - \$124,500) and was comprised of the following:

		Period ended August 31, 2024	Period ended August 31, 2023
Management and consulting fees	\$	59,130	77,036
Exploration and evaluation expenditures		6,700	47,464
Property investigation fees		1,670	-
Share-based compensation		-	-
<b>Total remuneration</b>	<b>\$</b>	<b>67,500</b>	<b>\$ 124,500</b>

As at August 31, 2024, the Company owed \$251,117 (2023 - \$42,773) to related parties.

**6. Shareholders' Equity**

**a) Share capital**

Authorized share capital consists of an unlimited number of common shares without par value.

As at August 31, 2024, the Company had 5,607,960 shares issued and outstanding.

During the period ended August 31, 2024:

- The Company did not engage in any transactions affecting share capital.

During the period ended August 31, 2023:

- The Company did not engage in any transactions affecting share capital.

**b) Share purchase options**

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, officers, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the option price of any common share in respect of which an option may be granted under the stock option plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange.

During the period ended August 31, 2024, the Company granted nil stock options (2023 – 21,000) at a weighted average exercise price of nil (2023 - \$1.60) per share. Share-based payments relating to options vested during the period ended August 31, 2024, using the Black-Scholes option pricing model was \$2,054 (2023 - \$4,178) which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statements of loss and comprehensive loss.

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

The continuity of share purchase options is as follows:

	<b>Outstanding Options</b>	<b>Weighted Average Exercise Price \$</b>
Balance, May 31, 2023	348,900	3.07
Granted	21,000	1.60
Expired	(70,200)	1.93
Balance, May 31, 2024 and August 31, 2024	299,700	3.23

At August 31, 2024, the following incentive stock options were outstanding to directors, officers and consultants:

<b>Number of Options Outstanding</b>	<b>Exercise Price \$</b>	<b>Weight Average remaining in years</b>	<b>Expiry Date</b>	<b>Number of Options Exercisable</b>
38,700	7.00	1.22	November 18, 2025	38,700
190,000	3.30	2.60	April 8, 2027	190,000
50,000	0.75	3.08	September 28, 2027	50,000
21,000	1.60	1.33	December 31, 2025	21,000
<b>299,700</b>				<b>299,700</b>

The weighted average remaining life of the options at August 31, 2024 is 2.41 years (2023 – 3.54 years).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended August 31, 2024:

	<b>Period ended August 31, 2024</b>	<b>Period ended August 31, 2023</b>
Risk-free interest rate	n/a	2.13%
Expected life of options	n/a	2.5 years
Expected annualized volatility	n/a	127.60%
Expected dividend rate	n/a	-
Fair value per option	n/a	\$1.20

**c) Warrants**

The continuity of share purchase warrants for the period ended August 31, 2024 is as follows:

	<b>Outstanding Warrants</b>	<b>Weighted Average Exercise Price \$</b>
Balance, May 31, 2023	2,120,839	2.31
Granted – warrants	36,400	0.70
Expired- warrants	(1,575,289)	2.00
Balance, May 31, 2024 and August 31, 2024	581,950	3.05

**iMetal Resources Inc.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the Three Months Ended August 31, 2024**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – Prepared by Management)**

At August 31, 2024, the following warrants were outstanding:

<b>Number of Warrants</b>	<b>Weight Average remaining in years</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
15,050	0.33	3.50	December 30, 2024
12,000	0.58	3.50	March 31, 2025
200,000	0.58	3.50	March 31, 2025
312,500	0.60	3.00	April 6, 2025
6,000	0.60	3.00	April 6, 2025
36,400	1.28	0.70	December 13, 2025
<b>581,950</b>			

The weighted average remaining life of the warrants at August 31, 2024 is 0.63 years (2023 – 0.86 years).

During the periods ended August 31, 2024, and August 31, 2023, the Company did not grant any warrants.

#### **7. Flow through Share Premium Liability**

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

<b>Balance at May 31, 2022</b>	<b>\$</b>	<b>187,291</b>
Premium liability incurred on flow-through shares		224,625
Amortization of flow-through liability		(287,117)
<b>Balance at May 31, 2023</b>	<b>\$</b>	<b>124,799</b>
Amortization of flow-through liability		(43,262)
<b>Balance at May 31, 2024</b>	<b>\$</b>	<b>81,537</b>
Amortization of flow-through liability		(489)
<b>Balance at August 31, 2024</b>		<b>81,048</b>

#### **8. Segmented Information**

The Company currently conducts all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

#### **9. Capital Management**

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

To maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

## **10. Financial Instruments and Financial Risk Factors**

### **Financial instruments**

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Unadjusted quoted price in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To the extent that the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity funding, or engage in negotiations to extend terms with creditors. The Company manages liquidity risk through the management of its capital structure (see Note 9).

### **Foreign Exchange Risk**

The Company raises its capital in Canadian dollars. The Company holds its cash mainly in Canadian dollars. The Company minimizes its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

### **Credit Risk**

Credit risk is the risk associated with the counterparty's inability to fulfil its payment obligations. The Company is exposed to credit risk from cash. Management has assessed the credit risk to be minimal as cash is held with a reputable Canadian financial institution.

### **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

### **Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. These risks are generally outside the control of the Company. The objectives of the Company are to mitigate market risk exposure within acceptable limits, while maximizing returns. The Company has no significant exposure to market risk.

iMetal Resources Inc.  
Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months Ended August 31, 2024  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

---

11. Supplemental Cash Flow Information

---

	Period ended August 31, 2024	Year ended May 31, 2024
	\$	\$
<b>Non-Cash Investing and Financing Activities:</b>		
Finders' warrants issued in private placement	-	18,000
Accounts payable included in exploration and evaluation assets	321,132	313,316

---

12. Contingencies

During the year ended May 31, 2020, the Company received a lawsuit in the Supreme Court of British Columbia from a shareholder citing that the Company terminated a consulting agreement between the shareholder and the Company and is seeking damages for breach of contract. However, in the opinion of management, the claim is without merit and the outcome is unknown. No provision has been recorded for this lawsuit.