SUNPEAK METALS CORP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2024

(Unaudited – Expressed in Canadian dollars)

NOTICE TO READER

These condensed interim consolidated financial statements of Sun Peak Metals Corp. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related Management's Discussion and Analysis.

SUN PEAK METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note		September 30, 2024		December 31, 2023
ASSETS					
Current					
Cash	*4*	$	2,860,215	$	6,511,177
Receivables	*5*		19,615		106,959
Prepaid expenses	*6*		70,127		46,795
			2,949,957		6,664,931
Equipment	*7*		179,121		215,960
Exploration and evaluation assets	*8*		11,465		11,465
Deferred acquisition costs	*9*		5,959,096		3,510,931
Equity investment	*10*		20,650		21,920
		$	9,120,289	$	10,425,207
LIABILITIES					
Current					
Trade and other payables	*11*	$	32,950	$	62,178
EQUITY					
Share capital	*12*		19,044,808		19,044,808
Reserve	*12*		2,365,745		1,807,536
Deficit			(12,323,214)		(10,489,315)
			9,087,339		10,363,029
		$	9,120,289	$	10,425,207
Nature of operations	*1*				

These condensed interim consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors of the Company on November 26, 2024.

On behalf of the Board:

/s/ David Awram Director /s/ Greg Davis Director

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

SUN PEAK METALS CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2024**	**2023**	**2024**	**2023**
Expenses					
Consulting fees	*13*	$ 37,500	$ 30,000	$ 110,000	$ 90,000
Depreciation	*7*	12,469	16,973	41,066	53,839
Exploration and evaluation expenditures	*8*	71,032	34,112	312,625	124,808
Foreign exchange		55,157	846	68,136	5,024
Office expenses		27,649	20,611	127,750	98,009
Marketing and promotion	*13*	38,234	3,000	124,485	9,000
Professional fees		7,126	6,747	30,953	9,477
Project investigation costs		-	44,307	-	119,831
Regulatory costs		8,066	7,200	39,398	35,576
Salaries and benefits	*13*	160,966	183,639	489,736	563,633
Share-based compensation	*12 & 13*	3,389	3,699	558,209	370,159
Travel expenses		28,499	20,749	113,251	97,785
		(450,087)	(371,883)	(2,015,609)	(1,577,141)
Interest income		39,878	59,413	182,980	180,718
Loss on equity investment	*10*	(81)	(2,327)	(1,270)	(14,128)
Loss and comprehensive loss for the period		$ (410,290)	$ (314,797)	$ (1,833,899)	$ (1,410,551)
Basic and diluted loss per share		$ (0.00)	$ (0.00)	$ (0.02)	$ (0.02)
Weighted average number of shares outstanding - basic and diluted		87,098,634	87,098,634	87,098,634	87,098,634

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

SUN PEAK METALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Nine months ended September 30,	
	2024	**2023**
Cash flows to operating activities		
Loss for the period	$ (1,833,899)	$ (1,410,551)
Items not involving cash:		
Depreciation	41,066	53,839
Share-based compensation	558,209	370,159
Loss on equity investment	1,270	14,128
Change in non-cash working capital items:		
Receivables	87,344	1,852
Prepaid expenses	(23,332)	(61,489)
Trade and other payables	(29,228)	(75,651)
	(1,198,570)	(1,107,713)
Cash flows to investing activities		
Purchase of equipment	(4,227)	(3,606)
Deferred acquisition costs	(2,448,165)	(80,778)
	(2,452,392)	(84,384)
Decrease in cash for the period	(3,650,962)	(1,192,097)
Cash, beginning of period	6,511,177	7,934,905
Cash, end of period	$ 2,860,215	$ 6,742,808
Supplementary information		
Interest paid	$ -	$ -
Income taxes paid	-	-

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

SUN PEAK METALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserve	Deficit	Total
Balance, December 31, 2023	87,098,634	$ 19,044,808	$ 1,807,536	$ (10,489,315)	$ 10,363,029
Share-based compensation	-	-	558,209	-	558,209
Loss and comprehensive loss for the period	-	-	-	(1,833,899)	(1,833,899)
Balance, September 30, 2024	87,098,634	$ 19,044,808	$ 2,365,745	$ (12,323,214)	$ 9,087,339

	Number of shares	Share capital	Reserve	Deficit	Total
Balance, December 31, 2022	87,098,634	$ 19,044,808	$ 1,338,475	$ (8,820,833)	$ 11,562,450
Share-based compensation	-	-	370,159	-	370,159
Loss and comprehensive loss for the period	-	-	-	(1,410,551)	(1,410,551)
Balance, September 30, 2023	87,098,634	$ 19,044,808	$ 1,708,634	$ (10,231,384)	$ 10,522,058

1. NATURE OF OPERATIONS

Sun Peak Metals Corp. (the "Company") is a publicly traded company incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 2, 2016. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol PEAK and on the OTCQB Venture Market in the United States under the symbol SUNPF. The Company's head office and registered and records office address is Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6.

The Company's principal business is the acquisition, exploration, and development of resource properties for the mining of precious or base metals in Ethiopia.

In November 2020, armed conflicts broke out in the Tigray Region of northern Ethiopia and a state of emergency was declared in the Tigray Region by the Federal Democratic Republic of Ethiopia government. The Company immediately suspended all work programs and invoked force majeure by notification to Ethiopia's Ministry of Mines and Petroleum. In November 2022, a peace agreement named "Agreement for Lasting Peace through a Permanent Cessation of Hostilities" was announced between the conflicting parties. In early 2024, the Company received notification letters from the Ministry of Mines declaring that force majeure has ended for its Terer, Meli, and Nefasit exploration licenses (Note 8 & 9) and has resumed exploration activity.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at September 30, 2024, the Company had working capital of $2,917,007. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months.

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

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these condensed interim consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as at the date the Board of Directors approved these condensed interim consolidated financial statements for issue.

These condensed interim consolidated financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023.

Basis of measurement

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

2. BASIS OF PRESENTATION (continued)

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent Company's functional currency as well as being the functional currency for the Company's Ethiopian subsidiary.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>The carrying value and the recoverability of exploration and evaluation assets and deferred acquisition costs</u> - Management has determined that exploration and evaluation, and deferred acquisition costs which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

<u>Determination of functional currency</u> - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's Ethiopian subsidiary is the Canadian dollar.

<u>Capitalization of deferred acquisition costs</u> - The Company has entered into an agreement to acquire a company holding mineral projects. The expenditures incurred on the mineral projects are being accounted for as advances toward the purchase of a company interest in accordance with IFRS 10 and capitalized to the statement of financial position. Upon attaining control of the company, the Company will consolidate it as a subsidiary. On a quarterly basis, the Company assesses the deferred acquisition costs to determine if any impairment indicators are present.

<u>Equity investment</u> - The Company has a 25% interest in the shares of Kandaka Mining Corp. ("Kandaka") and a director of the Company is the sole director of Kandaka. The Company has determined that it has significant influence in Kandaka, therefore the Company accounts for this investment using equity accounting.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied by the Company as at and for the year ended December 31, 2023.

New accounting policy

The following amendments to existing standards have been adopted by the Company commencing January 1, 2024:

IAS 1, Presentation of Financial Statements

Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The adoption of these amendments did not materially impact these condensed interim consolidated financial statements.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2024 and have not been applied in preparing these condensed interim consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The Company has not early adopted this revised standard and its adoption is not expected to have a material impact on the Company's consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

(Unaudited – Expressed in Canadian dollars)

4. CASH

	September 30, 2024	December 31, 2023
Canadian dollar denominated deposits held in Canada	$ 2,733,475	$ 6,439,200
US dollar denominated deposits held in Canada	89,538	27,121
US dollar denominated deposits held in Ethiopia	34,769	-
Birr denominated deposits held in Ethiopia	2,433	44,856
Total	$ 2,860,215	$ 6,511,177

5. RECEIVABLES

	September 30, 2024	December 31, 2023
Amounts due from the Government of Canada pursuant to goods and services input tax credits	$ 4,033	$ -
Interest receivable	-	75,178
Other	15,582	31,781
Total	$ 19,615	$ 106,959

6. PREPAID EXPENSES

	September 30, 2024	December 31, 2023
Prepaid insurance	$ 29,307	$ 18,397
Prepaid rent	1,366	11,129
Prepaid marketing and promotion	23,126	-
Prepaid other	16,328	17,269
Total	$ 70,127	$ 46,795

(Unaudited – Expressed in Canadian dollars)

7. EQUIPMENT

	Office furniture and equipment	Field equipment	Vehicles	Total
Cost				
At December 31, 2023	$ 80,099	$ 269,100	$ 113,310	$ 462,509
Additions	1,819	2,408	-	4,227
At September 30, 2024	$ 81,918	$ 271,508	$ 113,310	$ 466,736
Accumulated depreciation				
At December 31, 2023	$ 56,152	$ 122,957	$ 67,440	$ 246,549
Depreciation	9,535	29,500	2,031	41,066
At September 30, 2024	$ 65,687	$ 152,457	$ 69,471	$ 287,615
Carrying amounts				
At December 31, 2023	$ 23,947	$ 146,143	$ 45,870	$ 215,960
At September 30, 2024	$ 16,231	$ 119,051	$ 43,839	$ 179,121

8. EXPLORATION AND EVALUATION ASSETS

	Ethiopia				
	Nefasit	**Adi Dairo**	**Adi Mendi**	**Workemba**	**Total**
December 31, 2023	$ 5,257	$ 2,797	$ 899	$ 2,512	$ 11,465
Additions	-	-	-	-	-
September 30, 2024	$ 5,257	$ 2,797	$ 899	$ 2,512	$ 11,465

Details on the Company's exploration and evaluation assets are found in Note 8 of the December 31, 2023 consolidated financial statements.

(Unaudited – Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures included in the loss for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Nefasit				
Data evaluation	$ 7,500	$ -	$ 20,000	$ -
Project administration	9,178	5,432	35,282	22,498
Salaries and benefits	53,153	9,717	131,624	29,244
Travel expenses	(6,299)	1,908	105,719	10,663
	63,532	17,057	292,625	62,405
Adi Da-iro				
Data evaluation	7,500	-	20,000	-
Project administration	-	5,431	-	22,498
Salaries and benefits	-	9,716	-	29,243
Travel expenses	-	1,908	-	10,662
	7,500	17,055	20,000	62,403
Total	$ 71,032	$ 34,112	$ 312,625	$ 124,808

9. DEFERRED ACQUISITION COSTS

	September 30, 2024	December 31, 2023
Opening balance	$ 3,510,931	$ 3,381,737
Advances to Axum	1,298,199	129,194
Expenses paid on behalf of Axum	1,149,966	-
Closing balance	$ 5,959,096	$ 3,510,931

On November 11, 2017, the Company entered into an option and joint venture shareholders' agreement (the "JV Agreement"), as amended, with Ezana Mining Development plc ("Ezana") that became effective on December 12, 2017, when the conditions precedent were met. Pursuant to the JV Agreement, the Company has an option to earn up to 70% in Axum Metals Share Company ("Axum"), which holds the Terer and Meli exploration licenses in Ethiopia. The Company may earn a 51% interest in Axum upon completion of US$5 million in expenditures by December 3, 2022 (originally extended indefinitely due to force majeure – the Terer and Meli projects are no longer in force majeure and the Company is working with Ezana to establish a new date for completion of the US$5 million expenditures).

The Company is the operator of the program and is sole funding Axum.

After earning a 51% interest, the Company may then elect to continue to solely fund Axum through completion of a definitive feasibility study to earn an additional 16.5% interest in Axum for a total interest of 67.5%. The Company may withdraw from its obligations under the JV Agreement at any time prior to earning a 67.5% interest but would forfeit its interest and would have no right, title or interest in Axum or the Axum properties.

(Unaudited – Expressed in Canadian dollars)

9. DEFERRED ACQUISITION COSTS (continued)

Within 60 days of Axum being granted a mining license, the Company will have an option to purchase an additional 2.5% interest in Axum from Ezana for a payment of US$6 million.

Details on the two licenses are found in Note 9 of the December 31, 2023 consolidated financial statements.

10. EQUITY INVESTMENT

	September 30, 2024	December 31, 2023
Opening balance	$ 21,920	$ 36,148
Loss	(1,270)	(14,228)
Closing balance	$ 20,650	$ 21,920

The Company has a 25% interest in the shares of Kandaka, a Canadian private mineral exploration company. In addition to the Company's 25% interest in Kandaka, directors and officers of the Company hold an additional 20% of Kandaka. A director of the Company is the sole director of Kandaka.

As at September 30, 2024 and December 31, 2023, the net assets of Kandaka were as follows:

	September 30, 2024	December 31, 2023
Assets	$ 82,600	$ 87,677
Liabilities	-	-
Net assets	82,600	87,677
Ownership	25%	25%
Closing balance	$ 20,650	$ 21,920

11. TRADE AND OTHER PAYABLES

	September 30, 2024	December 31, 2023
Trade and other payables in Canada	$ 19,407	$ 47,353
Trade and other payables in Ethiopia	6,587	2,042
Amounts due to the Government of Canada pursuant to goods and services input tax credits	-	3,326
Amounts due to related parties (Note 13)	6,956	9,457
Total	$ 32,950	$ 62,178

(Unaudited – Expressed in Canadian dollars)

12. SHARE CAPITAL

a) Authorized share capital

The authorized share capital is comprised of an unlimited number of common shares without par value.

b) Issued share capital

There were no common shares issued during the nine months ended September 30, 2024.

c) Share-based compensation

The Company has a 10% "rolling" stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the Company has an equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit, performance share unit or deferred share unit granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 8,709,863 common shares pursuant to the Equity Plan.

The continuity of stock options for the nine months ended September 30, 2024 is as follows:

Expiry date	*Exercise price*	Balance, December 31, 2023	Issued	Exercised	Cancelled/ Expired	Balance, Septemeber 30, 2024
August 17, 2025	$ *0.35*	4,100,000	-	-	-	4,100,000
July 20, 2026	$ *0.35*	225,000	-	-	-	225,000
January 18, 2028	$ *0.235*	250,000	-	-	-	250,000
February 22, 2028	$ *0.26*	2,150,000	-	-	-	2,150,000
March 8, 2029	$ *0.50*	-	1,475,000	-	-	1,475,000
		6,725,000	1,475,000	-	-	8,200,000
Weighted average exercise price		$ 0.32	$ 0.50	$ -	$ -	$ 0.35

As at September 30, 2024, 8,187,500 stock options were exercisable with a weighted average remaining life of 2.28 years.

During the nine months ended September 30, 2024, the Company recorded share-based compensation of $558,209 (2023 - $370,159) for stock options that vested during the period.

On March 8, 2024, the Company granted 1,425,000 stock options to directors, officers, employees and consultants of the Company at a fair value of $540,436 or $0.38 per option, all of which was recorded as share-based compensation for the nine months ended September 30, 2024. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.46%; an expected volatility of 100%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

(Unaudited – Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

c) Share-based compensation (continued)

On March 8, 2024, the Company granted 50,000 stock options to a consultant of the Company at a fair value of $18,963 or $0.38 per option, of which $17,773 was recorded as share-based compensation for the nine months ended September 30, 2024. The options vest 25% immediately and 25% every three months thereafter. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 3.46%; an expected volatility of 100%; an expected life of 5 years; a forfeiture rate of zero; and an expected dividend of zero.

13. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes members of the Board of Directors, the President and Chief Executive Officer, the Vice President Exploration & Geology, the Vice President Project Development, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel during the three and nine months ended September 30, 2024 and 2023 was as follows:

		Three months ended September 30,		Nine months ended September 30,	
		2024	**2023**	**2024**	**2023**
Consulting fees					
Golden Oak	(1)	$ 37,500	$ 30,000	$ 110,000	$ 90,000
Deferred acquisition costs					
VRIFY	(2)	15,000	-	40,000	-
Exploration and evaluation expenditures					
VRIFY	(2)	15,000	-	40,000	-
Marketing and promotion					
Peak	(3)	18,000	3,000	54,000	9,000
Salaries and benefits					
Chief Executive Officer		34,375	37,500	104,167	112,500
Vice President Exploration & Geology		31,250	50,000	100,000	145,833
Vice President Project Development		62,500	50,000	183,333	145,833
		128,125	137,500	387,500	404,166
Share-based compensation		3,389	3,699	463,396	312,099
		$ 217,014	$ 174,199	$ 1,094,896	$ 815,265

(1) Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company owned by the Chief Financial Officer and Corporate Secretary of the Company. The Chief Financial Officer and the Corporate Secretary are employees of Golden Oak and are not paid directly by the Company.
(2) VRIFY Technology Inc. ("VRIFY") is a company of which a director of the Company is a principal.
(3) Peak Investor Marketing Corp. ("Peak") is a company of which the spouse of the Chief Executive Officer is a principal.

(Unaudited – Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTION (continued)

During the nine months ended September 30, 2024, the Company received salary reimbursements of $18,750 related to time spent by its senior management on SDC Resources Corp. ("SDC") business. These salary reimbursements were recorded as a credit to salaries and benefits on the statement of loss. SDC is a Canadian private mineral exploration company controlled by a private Abu Dhabi company whose sole director is also a director of the Company.

Amounts due to related parties

		September 30, 2024	December 31, 2023
Chief Executive Officer	Expenses	$ 2,806	$ 7,126
Vice President Exploration & Geology	Expenses	3,898	-
Vice President Project Development	Expenses	-	2,104
Golden Oak	Expenses	252	227
		$ 6,956	$ 9,457

14. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being mineral exploration and evaluation.

With the exception of the cash disclosed in Note 4, all of the Company's significant assets are located in Ethiopia.

(Unaudited – Expressed in Canadian dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		September 30, 2024	December 31, 2023
Cash	Amortized cost	$ 2,860,215	$ 6,511,177
Receivables	Amortized cost	19,615	106,959
Trade and other payables	Amortized cost	32,950	62,178

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash, receivables and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2023.