

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements
Three and Nine months ended May 31, 2024 and 2023

(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), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Equity Metals Corporation (the “Company”) have been prepared by and are the responsibility of the Company’s management. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management’s best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed interim consolidated financial statements have not been reviewed by the Company’s independent auditor.

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Note	May 31, 2024	August 31, 2023
		\$	\$
Current Assets			
Cash and cash equivalents		3,235,604	2,951,659
Receivables and prepaids	8	188,720	177,089
Total current assets		3,424,324	3,128,748
Non-Current Assets			
Reclamation deposits	5	147,480	147,480
Property and equipment	4	36,569	30,300
Exploration and evaluation assets	5	38,415	38,415
Total non-current assets		222,464	216,195
Total Assets		3,646,788	3,344,943
Current Liabilities			
Accounts payable and accrued liabilities		522,949	37,656
Amounts due to related parties	8	51,645	40,796
Reclamation provision	5	86,325	86,325
Flow-through premium liability	6	197,817	122,719
Total current liabilities		858,736	287,496
Equity			
Share Capital	7	30,139,601	28,460,898
Warrant proceeds received in advance	7	44,040	-
Reserves	7	5,406,930	5,415,227
Accumulated other comprehensive loss		(103,800)	(103,800)
Deficit		(32,698,719)	(30,714,878)
Total equity		2,788,052	3,057,447
Total Liabilities and Equity		3,646,788	3,344,943

Nature of operations and going concern (Note 1)

Subsequent events (Note 12)

Approved by the Board of Directors on July 25, 2024:

(signed) "John R. Kerr"

(signed) "Joseph A. Kizis"

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

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended May 31, 2024	May 31, 2023	Nine months ended May 31, 2024	May 31, 2023
		\$	\$	\$	\$
Exploration Expenses					
Exploration expenses, net of recoveries	5,8	727,342	832,936	1,710,315	943,363
Administration expenses					
Insurance		2,048	1,863	6,146	6,104
Legal, audit and accounting	8	56,921	47,867	180,048	141,871
Licences, fees and other		8,426	8,490	35,423	40,591
Management fees	8	14,248	8,329	38,238	22,701
Office rent and building expenses	8	15,000	12,000	45,000	38,000
Printing, stationery and office		9,751	11,111	24,997	27,504
Share-based compensation	7,8	-	478,659	389,537	478,659
Telephone		499	641	1,823	1,808
Transfer agent fees		3,590	3,989	16,193	18,201
Travel, marketing and promotion		63,710	71,046	222,716	220,771
		(174,193)	(643,995)	(960,121)	(996,210)
Interest income and miscellaneous		13,018	25,480	28,527	28,541
Foreign exchange gain (loss)		(1,729)	(610)	(3,230)	(2,640)
Flow-through premium recovery	6	201,238	213,930	349,902	226,606
Part XII.6 tax arising on flow-through financings	6	(43,506)	-	(43,506)	-
Net loss and total comprehensive loss for the period		(732,514)	(1,238,131)	(2,338,743)	(1,687,066)
Basic and diluted net loss per share		(0.00)	(0.01)	(0.02)	(0.01)
Weighted average number of shares outstanding		158,131,165	129,636,284	153,638,907	117,230,317

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

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Share Capital	Share Capital	Warrant proceeds received in advance	Reserves	AOCL ⁽¹⁾	Deficit	Total
	Number	\$	\$	\$	\$	\$	\$
Balance, August 31, 2022	102,858,613	23,701,133	-	4,927,552	(103,800)	(27,819,259)	705,626
Shares issued on private placement	23,545,233	2,742,649	-	-	-	-	2,742,649
Less: Issue costs - cash	-	(120,898)	-	-	-	-	(120,898)
Less: Issue costs - warrants	-	(73,119)	-	73,119	-	-	-
Flow through premium	-	(388,126)	-	-	-	-	(388,126)
Exercise of warrants	4,895,145	505,383	-	(15,867)	-	-	489,516
Exercise of options	200,000	39,620	-	(19,620)	-	-	20,000
Transfer of value on expired finders' warrants	-	-	-	(3,224)	-	3,224	-
Share-based payments	-	-	-	478,659	-	-	478,659
Net loss for the period	-	-	-	-	-	(1,687,066)	(1,687,066)
Balance, May 31, 2023	131,498,991	26,406,642	-	5,440,619	(103,800)	(29,503,101)	2,240,360
Shares issued on private placement	6,263,112	814,205	-	-	-	-	814,205
Less: Issue costs - cash	-	(64,726)	-	-	-	-	(64,726)
Less: Issue costs - warrants	-	(26,227)	-	26,227	-	-	-
Flow through premium	-	262,864	-	-	-	-	262,864
Exercise of warrants	10,243,355	1,068,140	-	(43,805)	-	-	1,024,335
Transfer of value on expired finders' warrants	-	-	-	(7,814)	-	7,814	-
Net loss for the period	-	-	-	-	-	(1,219,591)	(1,219,591)
Balance, August 31, 2023	148,005,458	28,460,898	-	5,415,227	(103,800)	(30,714,878)	3,057,447
Receipts of private placement funding	8,500,000	1,615,000	-	-	-	-	1,615,000
Less: Issue costs - cash	-	(26,304)	-	-	-	-	(26,304)
Allocation to Flow-through premium	-	(425,000)	-	-	-	-	(425,000)
Exercise of warrants	3,020,500	442,950	44,040	(10,125)	-	-	476,865
Exercise of options	350,000	72,057	-	(32,807)	-	-	39,250
Transfer of value on expired options	-	-	-	(56,146)	-	56,146	-
Transfer of value on expired finders' warrants	-	-	-	(298,756)	-	298,756	-
Share-based payments	-	-	-	389,537	-	-	389,537
Net loss for the period	-	-	-	-	-	(2,338,743)	(2,338,743)
Balance, May 31, 2024	159,875,958	30,139,601	44,040	5,406,930	(103,800)	(32,698,719)	2,788,052

⁽¹⁾ Accumulated other comprehensive loss

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

Equity Metals Corporation

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	May 31, 2024	May 31, 2023
	\$	\$
Cash flows from operating activities		
Net loss for the period	(2,338,743)	(1,687,066)
<i>Items not affecting cash</i>		
Depreciation	6,087	5,310
Accrued interest income	22,445	(22,167)
Share-based payments	389,537	478,659
Foreign exchange loss	(3,230)	2,640
Flow-through premium recovery	(349,902)	(226,606)
	(2,273,806)	(1,449,230)
<i>Changes in non-cash operating working capital</i>		
Change in receivables and prepaids	(34,076)	(94,769)
Change in reclamation provision	-	85,000
Change in accounts payable and accrued liabilities	485,293	134,499
Change in amounts due to related parties	10,849	30,186
Cash used in operating activities	(1,811,740)	(1,294,314)
Cash flows used in investing activities		
Purchase of equipment	(12,356)	-
Cash used in investing activities	(12,356)	-
Cash flows from financing activities		
Receipts from private placement financing	1,615,000	2,742,649
Share issue costs	(26,304)	(120,898)
Proceeds from exercise of options	39,250	20,000
Proceeds from exercise of warrants	432,825	489,516
Warrant proceeds received in advance	44,040	-
Cash from financing activities	2,104,811	3,131,267
Increase in cash and cash equivalents	280,715	1,836,953
Effects of foreign exchange on cash and cash equivalents	3,230	(2,640)
Cash and cash equivalents - Beginning of period	2,951,659	497,520
Cash and cash equivalents - End of period	3,235,604	2,331,833

Supplemental cash flow information (Note 11)

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

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

1 Nature of operations and going concern

Equity Metals Corporation (“Equity Metals Corporation” or the “Company”) was incorporated pursuant to the laws of British Columbia on April 7, 1964. On September 12, 2019, the Company changed its name from New Nadina Explorations Limited to Equity Metals Corporation and changed its stock symbol to “EQTY” from “NNA”. The Company is principally engaged in the acquisition, exploration, and development of mineral and diamond properties in British Columbia, Saskatchewan and the Northwest Territories. The Company’s common shares trade on the TSX Venture Exchange under the trading symbol “EQTY” and on the OTCQB Venture Marketplace in the United States of America under the trading symbol “EQMEF”. The Company is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at May 31, 2024, the Company had a working capital of \$2,565,588 and at that date, the Company also had an accumulated deficit of \$32,698,719 which has been funded primarily by the issuance of equity.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company’s unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The unaudited condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2023, which have been prepared in accordance with IFRS.

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

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its 100% controlled subsidiary, 1157274 B.C. Ltd. which was incorporated by the Company on March 19, 2018. Subsidiaries are entities controlled by the Company and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company and its subsidiary apply the same accounting policies. All material intercompany balances are eliminated on consolidation.

3 Use of estimates, assumptions and judgments

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

4 Property and equipment

	Building	Equipment & Vehicles	Total
	\$	\$	\$
Cost			
Balance at August 31, 2022	148,032	104,925	252,957
Additions	-	-	-
Balance at August 31, 2023	148,032	104,925	252,957
Additions	-	12,356	12,356
Balance at May 31, 2024	148,032	117,281	265,313
Accumulated depreciation			
Balance at August 31, 2022	132,342	83,409	215,751
Depreciation	2,911	3,995	6,906
Balance at August 31, 2023	135,253	87,404	222,657
Depreciation	1,823	4,264	6,087
Balance at May 31, 2024	137,076	91,668	228,744
Net book value			
Balance at August 31, 2023	12,779	17,521	30,300
Balance at May 31, 2024	10,956	25,613	36,569

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

5 Exploration and evaluation assets

Amounts capitalized to exploration and evaluation assets at May 31, 2024 and August 31, 2023 are as follows:

Acquisition cost of exploration and evaluation assets	May 31, 2024	August 31, 2023
Silver Queen property – BC (100% interest)	\$ 38,413	\$ 38,413
Monument Diamond property – NWT (57.49% interest)	1	1
WO Claim block – NWT (4.47% interest)	1	1
La Ronge Silica project – SK (100% interest)	-	-
	38,415	38,415

Silver Queen property, British Columbia - Omineca Mining Division (100%)

The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 17 crown-granted titles, comprised of 2 surface and undersurface titles and 15 undersurface-only titles, and 45 tenure claims. As at May 31, 2024, reclamation deposits of \$53,500 (August 31, 2023 - \$53,500) are held in relation to the Silver Queen property. At May 31, 2024, the Company has separately accrued \$86,325 (August 31, 2023 - \$86,325) in connection with future reclamation costs that are estimated to be incurred within the next 12 months.

La Ronge Silica project, Saskatchewan (100%)

The Company holds a 100% interest in a renewable silica quarrying mineral lease which expires in December 2024.

Monument Diamond property, Lac de Gras NWT (57.49%)

In May 2002, the Company acquired from DHK Diamonds Inc. three claims and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.), with the Company having an indirect 0.4337% interest in the royalty. Equity Metals is the operator and retains 57.49% with two other parties holding the remaining participating interest in the mineral claims. During 2023, the Company renewed the mineral leases for a 21-year period, expiring May 9, 2044, subject to aggregate annual lease payments of \$15,405.

In July 2017, the Company acquired 2 staked claims adjacent to the northern boundary of the 3 mineral leases.

The Company currently holds a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which was renewed in September 2019 and expires on September 1, 2024.

As at May 31, 2024, reclamation deposits of \$93,980 (August 31, 2023 - \$93,980) are held by the Government of Northwest Territories in relation to the Monument property.

WO Claim block

The Company holds an indirect 4.47% (August 31, 2023 – 4.47%) of the WO claim block, a diamond property in the Northwest Territories managed by the De Beers Group. The Company has a cost contribution commitment,

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

commensurate with its interest, to fund the costs of operating the WO claim block. The Company was not requested to make any contributions for the nine months ended May 31, 2024 (2023 - \$nil).

Exploration and evaluation expenditures:

During the nine months ended May 31, 2024, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	\$	\$	\$	\$
Assay analysis	-	157,587	-	157,587
Camp preparation	-	156,540	-	156,540
Depreciation	-	6,087	-	6,087
Drilling	-	795,684	-	795,684
General exploration	-	253,369	-	253,369
Geology	1,211	396,796	1,935	399,942
Environmental and reclamation	-	5,412	-	5,412
Property, assessment/taxes	108	1,214	15,405	16,727
	1,319	1,772,689	17,340	1,791,348
Receipt of BC METC*	-	(81,033)	-	(81,033)
	1,319	1,691,656	17,340	1,710,315

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits

During the nine months ended May 31, 2023, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	\$	\$	\$	\$
Assay analysis	-	24,290	-	24,290
Camp preparation	-	101,872	-	101,872
Depreciation	-	5,310	-	5,310
Drilling	-	475,395	-	475,395
General exploration	-	158,610	282	158,892
Geology	1,787	380,499	3,341	385,627
Environmental and reclamation	-	90,973	-	90,973
Property, assessment/taxes	210	1,074	15,530	16,814
	1,997	1,238,023	19,153	1,259,173
Receipt of BCMETC*	-	(315,810)	-	(315,810)
	1,997	922,213	19,153	943,363

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

During the three months ended May 31, 2024, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	\$	\$	\$	\$
Assay analysis	-	12,114	-	12,114
Camp preparation	-	88,795	-	88,795
Depreciation	-	1,926	-	1,926
Drilling	-	354,083	-	354,083
General exploration	-	127,484	-	127,484
Geology	203	203,475	1,935	205,613
Environmental and reclamation	-	1,743	-	1,743
Property, assessment/taxes	-	1,214	15,405	16,619
	203	790,832	17,340	808,375
Receipt of BC METC*	-	(81,033)	-	(81,033)
	203	709,799	17,340	727,342

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

During the three months ended May 31, 2023, the Company incurred the following exploration expenditures:

	La Ronge Silica project	Silver Queen property	Monument Diamond property	Total
	\$	\$	\$	\$
Assay analysis	-	24,290	-	24,290
Camp preparation	-	98,121	-	98,121
Depreciation	-	1,680	-	1,680
Drilling	-	475,395	-	475,395
General exploration	-	134,629	282	134,911
Geology	715	199,963	2,458	203,136
Environmental and reclamation	-	56,920	-	56,920
Property, assessment/taxes	-	693	15,405	16,098
	715	991,691	18,145	1,010,551
Receipt of BCMETC	-	(177,615)	-	(177,615)
	715	814,076	18,145	832,936

* Government assistance arises from the receipt of refundable BC Mining Exploration Tax Credits.

6 Flow-through premium

The flow-through premium liability at May 31, 2024 was \$197,817 (August 31, 2023 - \$122,719, share offering in August 2023), which arose in connection with the share offering closed on December 20, 2023 (Note 7). The reported amount is the unamortized balance of the premium received from issuing the flow-through shares. This balance does not represent a direct cash liability to the Company. The flow-through premium liability will be

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

amortized to the consolidated statement of loss and comprehensive loss pro-rata with the amount of related qualifying flow-through expenditures that are incurred by the Company.

The Company is committed to incur on or before December 31, 2024 qualifying Canadian exploration expenses as defined under the Income Tax Act (Canada) (the "Qualifying Expenditures") in the aggregate amount of \$1,615,000 with respect to the flow-through share financings completed on December 20, 2023 (Note 7). None of the Qualifying Expenditures will be available to the Company for future deduction from taxable income. As of May 31, 2024, the Company incurred exploration expenses of \$863,297. Accordingly, the Company's remaining commitment to incur Qualifying Expenditures at May 31, 2024 is \$751,703.

During the nine months ended May 31, 2024, the Company recognized, in equity, an initial flow-through premium of \$425,000. During the three and the nine months ended May 31, 2024, the Company recognized flow-through premium recoveries of \$201,238 and \$227,183, respectively, in profit or loss, with respect to the flow-through share financings completed on December 20, 2023 (Note 7). The Company also recognized a flow-through premium recovery of \$122,719 in connection with the share offering closed in August 2023 for aggregate flow-through premium recoveries of \$349,902, during the nine months ended May 31, 2024.

During the nine months ended May 31, 2023, the Company recognized, in equity, an initial flow-through premium of \$388,126 arising from the first tranche flow-through share offering closed on December 29, 2022 (Note 7). During each of the three and nine months ended May 31, 2023, the Company recognized \$213,930 and \$226,606 as flow-through premium recoveries in profit or loss.

The amounts recognized as a flow-through premium recovery represent the pro-rata portion of Qualifying CEE incurred during the applicable period for the applicable period presented in these financial statements.

Part XII.6 tax arises on the balance of exploration expenses renounced in the first tax year of an applicable flow-through financing but which remain to be incurred at the end of each month in the second tax year of an applicable flow-through financing. The balance of expenditures not incurred at the end of each month in the second tax year of an applicable flow-through financing are subject to interest ("Part XII.6 tax") at the Canada Revenue Agency's prescribed rate. During the three- and nine-month periods ended May 31, 2024 the Company incurred Part XII.6 tax of \$43,506 and \$43,506, respectively, (2023 - \$nil and \$nil, respectively) associated with prior flow-through financings.

7 Share capital

Authorized

An unlimited number of common shares without par value.

Financings

During the nine months ended May 31, 2024, the Company issued the following shares:

On December 20, 2023, the Company closed a non-brokered flow-through private placement by issuing 8,500,000 premium flow-through units (the "Units") at a price of \$0.19 per Unit for gross proceeds of \$1,615,000. Each Unit consists of one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase one non-flow through common share for a period of 5 years, until December 20, 2028, at an exercise

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

price of \$0.18. The Company incurred cash issuance costs of \$25,099 in connection with the private placement.

During the nine months ended May 31, 2024, the Company issued 3,020,500 shares upon exercise of warrants for gross proceeds of \$432,825. The Company also collected \$44,040 by May 31, 2024 from the exercise of 367,000 warrants at an exercise price of \$0.12 per common share for which 367,000 shares were issued subsequent to May 31, 2024.

During the nine months ended May 31, 2024, the Company issued 350,000 shares upon exercise of 350,000 options with a weighted-average exercise price of \$0.112 for gross proceeds of \$39,250. The Company reclassified, from Reserves to Share Capital, \$32,807 of fair value associated with the 350,000 options exercised during the period (2023 - \$19,620 of fair value associated with the 200,000 options exercised). During the nine months ended May 31, 2024, weighted average share price at the date of option exercises was \$0.20 (2023 - \$0.25).

During the nine months ended May 31, 2023, the Company issued the following shares:

On December 29, 2022, the Company closed the first tranche of its non-brokered private placement by issuing a total of 13,045,233 flow through units. The first tranche consists of a total of 8,333,333 flow through units (the "FT Units") sold at a price of \$0.12 per FT Unit for gross proceeds of \$1,000,000; and 4,711,900 premium flow through units (the "PFT Units") sold at a price of \$0.147 per PFT Unit for gross proceeds of \$692,649 for aggregate total gross proceeds of \$1,692,649. Each FT Unit and PFT Unit consists of one flow-through common share and one warrant. The warrants for all units are the same with each warrant entitling the holder to purchase one non-flow through common share for a period of 3 years, until December 29, 2025, at a price of \$0.15. In addition, the Company incurred cash finders' fees of \$42,476 and issued 353,964 finders' warrants which are exercisable at \$0.15 for a period of 3 years, until December 29, 2025. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.19; expected life - 3 years; volatility - 144.8%; discount rate - 3.60%; dividend rate - \$nil.

On January 16, 2023, the Company closed its final tranche of the private placement by issuing 10,500,000 non-flow through units (the "NFT Units") at a price of \$0.10 per NFT Unit for gross proceeds of \$1,050,000. Each NFT Unit consists of one non-flow through common share and one warrant. The warrants for the NFT Units entitle the holder to purchase one non-flow through common share for a period of 3 years, until January 26, 2023, at a price of \$0.15. In addition, the Company incurred cash finders' fees of \$13,680 and issued 136,800 finders' warrants which are exercisable at \$0.15 for a period of 3 years, until January 26, 2023. The fair value of the finders' warrants was calculated using the Black-Scholes Model and the following assumptions: share price - \$0.16; expected life - 3 years; volatility - 145.1%; discount rate - 3.21%; dividend rate - \$nil.

During the nine months ended May 31, 2023, 4,895,145 warrants were exercised resulting in proceeds of \$489,516 and 200,000 options were exercised resulting in proceeds of \$20,000.

Stock options

The Company has established a share purchase option plan (the "Plan") whereby the Board of Directors may from time-to-time grant options to directors, officers, employees or consultants. The maximum term of the options granted under the Plan is ten years from the date of grant, however the normal term of the options is five years, or such lesser period as determined by the Company's Board of Directors. The exercise price of options is

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

During the nine months ended May 31, 2024, the Company granted 3,650,000 (2023 – 2,975,000) incentive stock options to directors, officers and consultants, which vested upon grant, at an exercise price of \$0.12 per share and recorded share-based compensation in the amount of \$398,537 for the three and nine months ended May 31, 2024 (2023 - \$478,659 for the three- and nine-months periods).

The weighted average fair value of the options granted during the period ended May 31, 2024 was \$0.11 (2023 - \$0.16), with the fair value of the options granted during the year estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: share price – \$0.12 (2023 - \$0.18); exercise price – \$0.12 (2023 - \$0.20); expected life – 5 years (2023 – 5 years); risk-free rate – 3.24% (2023 – 2.83%); expected volatility (based on historical volatility) – 138.98% (2023 – 143.66%); expected forfeitures – nil (2023 – nil); and expected dividends – nil (2023 – nil).

The Company's stock options outstanding as at May 31, 2024 and the changes for the years then ended are as follow:

	Number of options	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2023	12,425,000	0.19	2.92
Granted	3,650,000	0.12	5.00
Exercised	(350,000)	0.11	-
Expired	(700,000)	0.14	-
Balance - May 31, 2024	15,025,000	0.17	2.88
Exercisable - May 31, 2024	15,025,000	0.17	2.88

During the nine-month period ended May 31, 2024, the Company reclassified, from Reserves to Deficit, \$56,146 (2023 - \$nil) of fair value associated with the 700,000 options which expired during the period.

The balance of options outstanding as at May 31, 2024 is as follows:

Expiry date	Exercise price \$	Number of options outstanding	Number of options exercisable
December 5, 2024	0.085	1,400,000	1,400,000
October 19, 2025	0.20	100,000	100,000
January 29, 2026	0.26	4,000,000	4,000,000
January 26, 2027	0.135	2,900,000	2,900,000
March 20, 2028	0.20	2,975,000	2,975,000
January 4, 2029	0.12	3,650,000	3,650,000
		15,025,000	15,025,000

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Share purchase warrants

The Company's warrants outstanding as at May 31, 2024 and the changes for the years then ended are as follows:

	Number of warrants	Weighted average exercise price (\$ per share)	Weighted average remaining life (years)
Balance - August 31, 2023	56,964,527	0.17	2.05
Granted	8,500,000	0.18	5.00
Exercised	(3,020,500)	0.10	-
Expired	(21,316,187)	0.22	-
Balance - May 31, 2024	41,127,840	0.15	2.05

During the period ended May 31, 2024, the Company reclassified, from Reserves to Deficit, \$298,756 (2023 - \$3,224) of fair value associated with 2,479,566 finder's warrants (2023 - 51,800 finder's warrants) which expired during the period.

The balance of warrants outstanding at May 31, 2024 to acquire common shares is as follows:

Expiry date	Exercise price \$	Number of warrants outstanding
October 22, 2024	0.12	3,872,500
November 25, 2024	0.12	3,587,500
December 29, 2025	0.15	11,478,697
January 16, 2026	0.15	10,211,800
August 16, 2026	0.13	99,279
August 16, 2026	0.20	3,378,064
December 20, 2028	0.18	8,500,000
		41,127,840

Options and warrants outstanding at May 31, 2024 are anti-dilutive as they would reduce the loss per share and are therefore excluded from the calculation of diluted loss per share. Accordingly, the loss per share and diluted loss per share are the same amounts.

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

8 Related party transactions and commitments

Key management includes the President, the Chief Financial Officer, the VP Exploration, the VP Corporate Development and the directors. The compensation paid or payable to key management for services during the three and nine months ended May 31, 2024 and 2023 is as follows:

	Three months ended		Nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	\$	\$	\$	\$
Management and professional fees to related parties	24,182	16,248	63,963	49,064
General exploration fees to related parties	22,726	23,682	49,495	44,477
Share-based payments to related parties	-	285,584	261,471	285,584
	46,908	325,514	374,929	379,125

During the three and nine months ended May 31, 2024, \$14,788 (2023 - \$12,722) and \$46,160 (2023 - \$36,720), respectively, in accounting support services was charged by Malaspina Consultants Inc., a company controlled by Killian Ruby, the CFO and a director of the Company. Further, during the three and nine months ended May 31, 2024, the following amounts were charged to the Company by Manex Resource Group Inc., a company indirectly controlled by Killian Ruby, the CFO and a director of the Company: (i) \$27,129 (2023 - \$21,025) and \$58,838 (2023 - \$41,205), respectively, being costs for general exploration services; (ii) \$15,000 (2023 - \$12,000) and \$45,000 (2023 - \$38,000), respectively, being costs for office rent services; (iii) \$1,093 (2023 - \$6,851) and \$7,377 (2023 - \$13,121), respectively, being costs for general office and administration support services; (iv) \$15,892 (2023 - \$5,985) and \$27,782 (2023 - \$11,655), respectively, being costs for legal and corporate secretarial support services; (v) \$42,433 (2023 - \$36,738) and \$119,137 (2023 - \$107,119), respectively, being costs for corporate development and promotion services and (vi) \$nil (2023 - \$nil) and \$nil (2023 - \$26,145), respectively, being costs for corporate finance and associated services.

Included in current liabilities at May 31, 2024 is \$51,645 (August 31, 2023 - \$40,796) due to related parties. These amounts are unsecured and due under normal business terms.

At May 31, 2024, \$7,021 (August 31, 2023 - \$7,021) was included in receivables and prepaids for expense advances paid to the President and a Director of the Company.

9 Capital management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its equity to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

Equity Metals Corporation

(An Exploration Stage Company)

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

The Company currently has no externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2024.

10 Segmented information

The Company operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in Canada.

11 Supplemental cash flow information

	Nine months ended	
	May 31, 2024	May 31, 2023
	\$	\$
Share-based payments	389,537	478,659
Issue costs - warrants	-	73,119
Reclamation provision	-	85,000
Flow-through premium	425,000	388,126
Transfer of value from reserves on exercise of warrants	10,125	15,867
Transfer of value from reserves on exercise of options	32,807	19,620
Transfer of value from reserves on expiry of options	56,146	-
Transfer of value from reserves on expiry of finders' warrants	298,756	3,224

12 Subsequent events

On June 20, 2024, the Company closed a Premium/Charity flow-through private placement by issuing a total of 13,760,000 Charity/Premium flow-through units ("FT Units") at \$0.295 per FT Unit, for gross proceeds of \$4,059,200 (the "Offering"). Each FT Unit consists of one flow-through common share and one-half of one share purchase warrant, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 3 years from closing at a price of \$0.295. The Company paid finders' fees totalling \$243,552 and issued an aggregate 414,600 non-transferable finders' warrants in connection with the Offering. Each finder's warrant is exercisable to purchase one common share for a period of 3 years at an exercise price of \$0.20 per common share.

Subsequent to May 31, 2024 the Company issued 1,284,000 common shares arising from the exercise of the same number of warrants with an exercise price of \$0.12 for gross proceeds of \$154,080 inclusive of 367,000 warrants for which \$44,040 had been received as of May 31, 2024 (Note 7).