FOCUS GRAPHITE INC.

Financial Statements

For the years ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Focus Graphite Inc.

Opinion

We have audited the financial statements of Focus Graphite Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2024 and 2023, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended September 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on January 25, 2023.

We have audited the restatements to the financial statements as at September 30, 2022, as described in Note 20 to the financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company as at September 30, 2022, other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss and had negative cash flows from operations during the year ended September 30, 2024 and, as of that date, the Company had a working capital deficiency and an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 20 to the financial statements, which explains that certain comparative information presented for the year ended September 30, 2023, and the statement of financial position as at September 30, 2022, have been restated. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 28, 2025

Focus Graphite Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	**September 30, 2024**	Restated (Note 20) September 30, 2023	Restated (Note 20) September 30, 2022
	$	$	$
ASSETS			
Current assets			
Cash	**1,688**	137,711	1,473,783
Sales tax receivable	**30,801**	16,807	658,401
Amounts due from related parties (Note 17)	**17,718**	51,967	-
Other receivables	**10,894**	10,894	20,429
Tax credits	**-**	48,654	1,128,001
Current portion of long-term receivable (Note 7)	**-**	771,707	-
Prepaid expenses	**38,900**	112,714	13,909
	100,001	1,150,454	3,294,523
Deposits	**-**	85,141	85,141
Long-term receivable (Note 7)	**-**	-	1,116,805
Total assets	**100,001**	1,235,595	4,496,469
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	**2,197,586**	2,185,922	2,567,445
Amounts due to related parties (Note 17)	**2,300,000**	2,300,000	2,300,000
Other current liabilities (Note 8)	**989,922**	1,127,125	1,160,509
	5,487,508	5,613,047	6,027,954
Long-term liability (Note 9)	**-**	60,000	60,000
Deferred government grant (Note 10)	**87,500**	52,500	52,500
Total liabilities	**5,575,008**	5,725,547	6,140,454
EQUITY			
Share capital (Note 11)	**75,995,417**	75,367,050	74,196,785
Warrants (Note 12)	**50,714**	17,399	324,010
Contributed surplus (Note 13)	**19,861,761**	19,532,753	18,583,891
Accumulated other comprehensive income	**273,242**	273,242	273,242
Deficit	**(101,656,141)**	(99,680,396)	(95,021,913)
Total equity	**(5,475,007)**	(4,489,952)	(1,643,985)
Total liabilities and equity	**100,001**	1,235,595	4,496,469

Going concern (Note 2)
Contingencies (Note 19)
Subsequent events (Note 23)

On behalf of the Board

(signed) "Marc Roy"
Marc Roy, Director

(signed) "Jeffrey York"
Jeffrey York, Director

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

Focus Graphite Inc.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the year ended September 30	**2024**	Restated (Note 20) 2023
	$	$
Operating expenses		
Management and consulting fees (Note 17)	**420,581**	570,320
Salaries and benefits (Note 17)	**182,171**	143,624
Travel and promotion	**63,410**	32,879
Professional fees	**193,996**	261,886
Stock-based compensation (Note 13 & 17)	**329,008**	894,251
Exploration and evaluation (Note 6)	**537,390**	2,881,724
Office	**273,831**	173,602
Loss before other income (expense)	**(2,000,387)**	(4,958,286)
Other income (expenses)		
Interest income	**197**	8,038
Forgiveness of long-term debt (Note 9)	**20,000**	-
Part XII.6 tax	**(25,562)**	(40,147)
Other income related to flow-through shares (Note 8)	**215,862**	231,112
Interest accretion on long-term receivable	**28,293**	154,902
Loss on sale of marketable securities (Note 4)	**(214,148)**	(54,102)
Net loss and total comprehensive loss	**(1,975,745)**	(4,658,483)
Basic and diluted net loss per common share	**(0.03)**	(0.08)
Basic and diluted weighted average number of common shares outstanding	**60,461,788**	57,289,282

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

Focus Graphite Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Warrants	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
	# of shares	$	$	$	$	$	$
Balance, September 30, 2022 - Restated (Note 20)	**55,746,107**	**74,196,785**	**324,010**	**18,583,891**	**273,242**	**(95,021,913)**	**(1,643,985)**
Shares issued for cash	1,488,640	644,888	-	-	-	-	644,888
Shares issued on exercise of warrants	289,855	83,333	-	-	-	-	83,333
Shares issued on exercise of options	400,000	452,000	-	(252,000)	-	-	200,000
Expiry of warrants	-	-	(306,611)	306,611	-	-	-
Share issuance costs	-	(9,956)	-	-	-	-	(9,956)
Stock-based compensation	-	-	-	894,251	-	-	894,251
Net loss	-	-	-	-	-	(4,658,483)	(4,658,483)
Balance, September 30, 2023 - Restated (Note 20)	**57,924,602**	**75,367,050**	**17,399**	**19,532,753**	**273,242**	**(99,680,396)**	**(4,489,952)**
Shares/units issued for cash	4,539,568	718,417	3,125	-	-	-	721,542
Share issuance costs	-	(90,050)	30,190	-	-	-	(59,860)
Stock-based compensation	-	-	-	329,008	-	-	329,008
Net loss	-	-	-	-	-	(1,975,745)	(1,975,745)
Balance, September 30, 2024	**62,464,170**	**75,995,417**	**50,714**	**19,861,761**	**273,242**	**(101,656,141)**	**(5,475,007)**

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

Focus Graphite Inc.
Statements of Cash Flows
(*Expressed in Canadian dollars)*

For the year ended September 30	**2024**	Restated (Note 20) 2023
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,975,745)**	(4,658,483)
Adjustments for:		
Stock-based compensation	**329,008**	894,251
Other income related to flow-through shares	**(215,862)**	(231,112)
Forgiveness of long-term debt	**(20,000)**	-
Interest accretion on long-term receivable	**(28,293)**	(154,902)
Deferred government grant recognized in income	**(52,500)**	-
Loss on sale of marketable securities	**214,148**	54,102
Changes in non-cash working capital items (Note 14)	**639,528**	1,448,180
Net cash flows from operating activities	**(1,109,716)**	(2,647,964)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities (Note 4)	**185,852**	195,899
Net cash flows from investing activities	**185,852**	195,899
FINANCING ACTIVITIES		
Proceeds from issuance of shares/units	**800,201**	842,616
Proceeds from exercise of warrants	**-**	83,333
Proceeds from exercise of options	**-**	200,000
Repayment of long-term debt	**(40,000)**	-
Government grant received	**87,500**	-
Share issuance costs	**(59,860)**	(9,956)
Net cash flows from financing activities	**787,841**	1,115,993
Decrease in cash	**(136,023)**	(1,336,072)
Cash, beginning of the year	**137,711**	1,473,783
Cash, end of the year	**1,688**	137,711

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

1. NATURE OF OPERATIONS

Focus Graphite Inc. (the "Company" or "Focus") was incorporated on December 30, 1998 under the Canada Business Corporations Act.

Focus is engaged in the acquisition, exploration and development of mineral properties in Quebec, Canada. The Company is in the exploration stage and does not derive any revenue from its properties. The address of the Company's corporate office is 945 Princess Street, Box 116, Kingston, Ontario, Canada. Focus Graphite Inc.'s common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "FMS" and on the OTCQX Exchange in the U.S. under the symbol "FCSMF".

2. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not earned revenue from operations. During the year ended September 30, 2024, the Company incurred a net loss of $1,975,745 (2023 - $4,658,483) and had negative cash flows from operations of $1,109,716 (2023 - $2,647,964). In addition, the Company has a working capital deficiency of $5,387,507 (2023 - $4,462,593) and a deficit of $101,656,141 (2023 - $99,680,396).

The above factors indicate that a material uncertainty exists that raises significant doubt about the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The Company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration activities in fiscal 2025, is dependent upon Management's ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation and compliance with IFRS

These financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial instruments, and are expressed in Canadian dollars, which is also the functional currency of the Company. These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the Board of Directors on January 28, 2025.

(b) Judgments, estimates and assumptions

When preparing the financial statements, Management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant Management judgment

The following are significant Management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Significant influence assessment and assessment of indicators of impairment of an equity-method investee

The assessment as to whether or not the Company has significant influence over an investee requires judgment. Even though Focus holds less than 20% of the voting rights in Grafoid Inc. ("Grafoid"), with an ownership interest of 6.7% as at September 30, 2024 (Note 5), Management considers the Company to have significant influence over Grafoid. Management considers various facts and circumstances in arriving at this assessment, including but not limited to Focus' representation on the Board of Directors of Grafoid.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires Management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, Management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Share-based payments and warrants

The estimation of stock-based compensation and valuation assigned to warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of stock options and warrants granted and the time of exercise of those stock options and warrants. The valuation model used by the Company is the Black-Scholes model.

Allocation of proceeds from unit private placements

The Company allocates values to share capital and to warrants on a residual basis when the two are issued together as a unit. As this allocation is based upon the share price at the time of issuance and the stock is thinly traded, the actual value of the components may differ from this allocation.

Penalty provision related to flow-through obligation

In December 2018, the Company completed flow-through private placements for gross proceeds of $1,275,000 which were renounced under the look-back rule. The Company did not spend the required Canadian Exploration Expenses ("CEE") until October and November 2020, which was after the deadline of December 31, 2019. Management has estimated the liability relating to having not spent the CEE by the December 31, 2019 deadline. In determining the provision, management has made several assumptions, including the assumption of top marginal tax rates for the investors and the probability of recourse by investors of 100%. Such provision is expected to change once more information from tax authorities and investors is obtained.

(c) Investments in associates

Associates are entities over which the Company is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method and are initially recognized at cost plus transaction costs.

The carrying amount of investments in associates is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of associates, adjusted where necessary to ensure consistency with the accounting policies of the Company.

If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(d) Foreign currency translation

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset is initially measured at fair value, including transaction costs and subsequently at amortized cost. The Company's cash, amounts due from related parties, other receivables and long-term receivable fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in profit or loss. Transaction costs are expensed as incurred.

Impairment of financial assets

All financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial reorganization;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company generally considers a decline of 20% to be significant and a period of nine months to be prolonged.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is presented in profit or loss, if applicable.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through profit or loss. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's financial liabilities include accounts payable and accrued liabilities, amounts due to related parties, other current liabilities and long-term liability.

Fair value hierarchy

Financial instruments measured at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices unadjusted in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The diluted loss per share is equal to the basic loss per share because the effect of warrants and stock options (Notes 12 and 13) is antidilutive as it would decrease the loss per share.

(g) Government assistance

Government grants and assistance are recognized when there is reasonable assurance that the grants or assistance will be received, and all attached conditions will be complied with. Government grants or assistance relating to an expense item are recognized within government assistance in the statements of profit and loss.

When government assistance is received which relates to expenses of future periods, the amount is deferred and amortized to income as the related expenditures are incurred.

(h) Tax credits and credit on duties

The Company is eligible for a refundable duties credit for losses under the Quebec Mining Duties Act. The refundable credit is equal to 8% of eligible exploration expenditures incurred in the Province of Quebec.

Additionally, the Company is eligible for a refundable tax credit related to resources on eligible exploration expenditures incurred in the Province of Quebec. The amount of the refundable tax credit related to resources varies depending on the region in which the qualified expenditures are incurred, with up to 38.75% of qualified expenditures being refundable for those incurred in Northern Quebec.

The refundable tax credit related to resources and refundable duties credit for losses are recognized when the Company incurs the qualified expenditures and collectability is considered probable. The credits are recorded as a reduction of exploration and evaluation expenses.

(i) Research and development costs

Costs related to research activities are expensed as incurred. Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet the following recognition requirements: (i) the development costs can be measured reliably; (ii) the project is technically and commercially feasible; (iii) the Company intends to and has sufficient resources to complete the project; (iv) the Company has the ability to use or sell the product or equipment; and (v) the product, equipment or process will generate probable future economic benefits. Development costs not meeting all these criteria are expensed as incurred. To date, no development costs have been capitalized.

(j) Exploration and evaluation expenditures

During the year ended September 30, 2024, the Company changed its accounting policy with respect to exploration and evaluation expenditures on mineral exploration properties, such that exploration and evaluation expenditures, including acquisition costs, are now expensed as incurred. The accounting policy change is intended to improve the relevance and reliability of the financial statements. Previously, these costs were capitalized and carried at cost less any recognized impairment loss. In accordance with IFRS, the change in accounting policy has been applied retrospectively with the impact on comparative financial statements detailed in Note 20.

(k) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, Management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is a constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

(l) Employee benefits

The cost of short-term employee benefits (including non-monetary benefits such as group medical and dental insurance) are recognized in the period in which the service is rendered and are not discounted.

(m) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(n) Equity

Share capital

Share capital represents the amount received on the issuance of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. When shares are issued upon the exercise of stock options or warrants, the proceeds are allocated to share capital and the value previously recorded to contributed surplus or warrants for these stock options or warrants, is transferred to share capital. In addition, if shares are issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at the fair value of the assets or services received or the fair value of the shares issued, according to the quoted price on the day of the conclusion of the agreement.

Flow-through financings

Issuance of flow-through shares/units represents in substance an issue of common shares, warrants (if applicable) and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital, warrants issued and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants (if applicable) according to the fair value of the warrants at the time of issuance and any residual in the proceeds is allocated to the liability. The fair value of the warrants is estimated using the Black-Scholes valuation model. The liability component recorded initially on the issuance of shares is reversed, on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred, and recognized in profit or loss in other income related to flow-through shares.

Unit placements

Under the residual method, proceeds are first allocated to shares according to the quoted prices of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Warrants

Warrants include charges related to the issuance of warrants until such equity instruments are exercised.

Contributed surplus

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

Deficit

Deficit includes all current and prior period profits or losses.

(o) Equity-settled stock-based payment transactions

The Company operates an equity-settled stock-based remuneration plan (stock option plan) for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement. Occasionally, the Company may issue warrants to brokers.

All goods and services received in exchange for the grant of any stock-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees, or consultants providing similar services, are rewarded using stock-based payments, the fair values of the services rendered are determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting. Stock-based compensation expense incorporates an expected forfeiture rate.

All stock-based payments under the plan (except warrants to brokers) are ultimately recognized as an expense in profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a stock option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as issuance costs of equity instruments with a corresponding credit to warrants, in equity.

(p) Segmented reporting

The Company is organized into business units based on mineral properties and has determined that there was only one business segment, being the acquisition, exploration and potential development of mineral properties, based on information that is regularly reviewed by the chief operating decision-maker.

(q) Leases

The Company does not have leases with terms greater than 12 months. Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in operating expenses in the statements of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

(r) Standards, amendments and interpretations

Effective in the current year

IAS 1 "Presentation of Financial Statements" ("IAS 1")

In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by:

- Specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists;

- Clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services;
- Clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and
- Clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so did not have a significant impact on the Company's financial statements.

IAS 1 "Presentation of Financial Statements" ("IAS 1") and IFRS Practice Statement 2 "Making Materiality Judgments"

In February 2021, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by:

- Replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general purpose financial statements make on the basis of those financial statements.
- Providing guidance in IFRS Practice Statement 2 to explain and demonstrate the application of the four-step materiality process to accounting policy disclosures.

The amendments have been applied prospectively and have not had a significant impact on the Company's financial statements.

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("IAS 8")

In February 2021, the IASB issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in June 2021. The amendments introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendments have not had a significant impact on the Company's financial statements.

Issued but not yet effective

The Company is currently evaluating the impact of the following amendments on its financial statements.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements*. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted.

(Expressed in Canadian dollars)

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

4. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit or loss and are comprised of:

	September 30, 2024	September 30, 2023
	$	$
Mont Royal Resources Ltd. (1)(2)	**-**	-

(1) In December 2022, the Company received 1,446,717 common shares of Mont Royal Resources Ltd. (“Mont Royal”), with a fair value of $250,000. The shares were issued to the Company in accordance with the Mineral Property Acquisition Agreement, which the Company signed in July 2020, for the sale of its interest in the Eastmain-Leran property (Note 7). During the year ended September 30, 2023, the Company sold the 1,446,717 common shares for gross proceeds of $195,899, recognizing a loss on sale of marketable securities of $54,101.

(2) In December 2023, the Company received 2,734,858 common shares of Mont Royal, with a fair value of $400,000. The shares were issued to the Company in accordance with the Mineral Property Acquisition Agreement (Note 7). During the year ended September 30, 2024, the Company sold the 2,734,858 common shares for gross proceeds of $185,852, recognizing a loss on sale of marketable securities of $214,148.

5. INVESTMENT IN ASSOCIATE

Grafoid Inc.

Grafoid is a privately held graphene research and development company, with its principal place of business in Kingston, Ontario.

(Expressed in Canadian dollars)

As of September 30, 2024 and 2023, no dividends have been received from Grafoid.

As at September 30, 2024, the Company's ownership interest in Grafoid was 6.7%. The Company accounts for its investment in Grafoid using the equity method. The Company is able to exert significant influence over Grafoid by virtue of common directors and management. The Company has no obligation to fund Grafoid beyond its value, which remains $Nil at September 30, 2024, due to the accumulated share of losses in Grafoid.

6. EXPLORATION AND EVALUATION ON MINERAL EXPLORATION PROPERTIES

Lac Knife

The Company holds a 100% interest in the Lac Knife property, located south of Fermont, Quebec, in North-Eastern Quebec near the Labrador border.

Manicouagan

The Company holds a 100% interest in the Manicougan properties, located in Quebec. As at September 30, 2024 and 2023, Manicouagan consists of the Lac Tetepisca, Lac Tetepisca North and Lac Guinecourt properties.

For the year ended September 30, 2024	**Lac Knife**	**Manicouagan**	**Total**
	$	$	$
Drilling	15,920	330,599	346,519
Independent technical studies	40,650	77,298	117,948
Geochemical survey	21,252	67,594	88,846
Property maintenance	19,577	10,133	29,710
Community relations	6,867	-	6,867
	104,266	485,624	589,890
Government grant	-	(52,500)	(52,500)
Exploration and evaluation expenditures	**104,266**	**433,124**	**537,390**

For the year ended September 30, 2023	**Lac Knife**	**Manicouagan**	**Total**
	$	$	$
Drilling	130,590	2,246,442	2,377,032
Independent technical studies	-	525	525
Geophysical survey	-	133,945	133,945
Geochemical survey	35,599	44,329	79,928
Resource estimate	3,910	-	3,910
Property maintenance	1,482	8,066	9,548
Feasibility studies	285,102	-	285,102
Environmental studies	16,083	-	16,083
Community relations	22,457	1,848	24,305
	495,223	2,435,155	2,930,378
Tax credits and credit on duties	(1,531)	(47,123)	(48,654)
Exploration and evaluation expenditures	**493,692**	**2,388,032**	**2,881,724**

(Expressed in Canadian dollars)

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, Indigenous claims, social license requirements and non-compliance with regulatory requirements.

7. LONG-TERM RECEIVABLE

On July 6, 2020, the Company signed a Mineral Property Acquisition Agreement (the “MPA Agreement”) whereby it agreed to sell its interest in the Eastmain-Leran property to a third party (the “Purchaser”), for the following consideration:

-$500,000 in cash at closing (received in July 2020)
-$500,000 in cash by December 1, 2021 (received $350,000 in cash and $150,000 in shares in December 2021)
-$500,000 in cash by December 1, 2022 (received $250,000 in cash and $250,000 in shares in December 2022) (Note 4)
-$800,000 in cash by December 1, 2023 (received $400,000 in cash and $400,000 in shares in December 2023) (Note 4)

In December 2023, the final obligation under the MPA Agreement was met and the Company transferred all mineral titles to the Purchaser. The Company retained (a) a 0.5% NSR on the Alta Option portion of the property which can be purchased at any time by the Purchaser for $125,000 and (b) a 2.5% NSR on the Staked portion of the property which can be purchased at any time by the Purchaser for $625,000.

The following table reflects changes to long-term receivable during the years ended September 30, 2024 and 2023:

	2024	Restated (Note 20) 2023
	$	$
Balance, beginning of the year	**771,707**	1,116,805
Payments received in accordance with MPA agreement	**(800,000)**	(500,000)
Interest accretion on long-term receivable	**28,293**	154,902
Balance, end of the year	**-**	771,707
Current	**-**	771,707
Long-term	**-**	-

(Expressed in Canadian dollars)

8. OTHER CURRENT LIABILITIES

The Company may indemnify subscribers to flow-through shares for tax-related amounts that may become due in the event the Company does not meet its obligations under flow-through subscription agreements. The laws and regulations related to flow-through shares are subject to interpretation by various parties, including management, law makers and tax authorities. Such interpretations may be subjective.

Other current liabilities include the following:

	Septemer 30, 2024	September 30, 2023
	$	$
Obligation to pass on tax deductions:		
December 2021 flow-through financing (2)	**-**	-
December 2022 flow-through financing (3)	**-**	197,728
December 2023 flow-through financing (4)	**13,466**	-
May 2024 flow-through financing (5)	**47,059**	-
Penalty provision related to flow-through obligation (1)	**929,397**	929,397
Total other current liabilities	**989,922**	1,127,125

(1) In December 2018, the Company closed a flow-through private placement for gross proceeds of \$1,275,000. In February 2019, with an effective date of December 31, 2018, the related tax deductions were renounced to investors under the look-back rule, which permits the Company to renounce flow-through expenditures to investors in advance of incurring all of the required exploration expenditures. Under the look-back rule, the Company has twelve months following the effective date of renunciation to incur any required exploration expenditures not yet incurred at the effective date of renunciation. Focus did not incur the required exploration expenditures until October 2020, which was after the December 31, 2019 deadline. As a result, during the year ended September 30, 2020, the Company recorded a provision in the amount of \$1,170,000, representing the estimated liability resulting from the missed deadline. The provision includes Part XII.6 tax and the Quebec equivalent, as well as estimated investors indemnification exposure. During the year ended September 30, 2021, the Company made payments to the Canada Revenue Agency and Revenu Quebec for a total amount of \$240,603 and has reduced the provision accordingly, to \$929,397.

(2) In December 2021, the Company closed a flow-through private placement for gross proceeds of \$5,200,000. The proceeds from the financing were allocated between share capital (\$4,622,222) and a deferred liability (\$577,778), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. The Company has incurred all of the required flow-through expenditures and reduced the deferred liability to \$Nil, recognizing other income related to flow through shares of \$346,666 during the year ended September 30, 2022 and \$231,112 during the year ended September 30, 2023.

(3) In December 2022, the Company closed a flow-through private placement for gross proceeds of \$642,616 (Note 11). The proceeds from the financing were allocated between share capital (\$444,888) and a deferred liability (\$197,728), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. The Company has incurred all of the required flow-through expenditures and reduced the deferred liability to \$Nil, recognizing other income related to flow through shares of \$197,728 during the year ended September 30, 2024.

(4) In December 2023, the Company closed a flow-through private placement for gross proceeds of $300,200 (Note 11). The proceeds from the financing were allocated between share capital ($268,600) and a deferred liability ($31,600), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. Further to the renunciation of the tax deductions to investors in February 2024, with an effective date of December 31, 2023, the Company has reduced the initial liability by the percentage of the required exploration expenditures which have been incurred to September 30, 2024. As at September 30, 2024, the remaining liability is $13,466.

(5) In May 2024, the Company closed a flow-through private placement for gross proceeds of $400,001 (Note 11). The proceeds from the financing were allocated between share capital ($352,942) and a deferred liability ($47,059), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. As at September 30, 2024, the Company has not incurred any of the required flow-through expenditures.

9. LONG TERM DEBT

Under the Canada Emergency Bank Account program ("CEBA"), part of the Government of Canada's economic response plan to help Canadian businesses deal with the COVID-19 pandemic, the Company received loans totaling $60,000 (the "CEBA Loan"), with $40,000 received in fiscal 2020 and another $20,000 received in fiscal 2021.

In January 2024, the Company repaid $40,000 of the CEBA Loan. In doing so, the Company qualified for partial loan forgiveness in the amount of $20,000, effectively settling the balance of the CEBA Loan.

10. DEFERRED GOVERNMENT GRANT

In June 2022, the Company was awarded a $350,000 grant by the government of Quebec's Ministry of Energy and Natural Resources (MERN). The grant will be used to finance a geometallurgical study at the Company's Lac Tetepisca property.

As at September 30, 2024, $87,500 was included in deferred government grant in the statements of financial position ($52,500 as at September 30, 2023). This amount, representing 25% of the total grant, was received by the Company in July 2024 and has been deferred until the related work has been conducted. During the year ended September 30, 2024, the Company recognized an amount of $52,500 in the statement of comprehensive loss, as a reduction of exploration and evaluation expense, in respect of an amount received in September 2022 for which the related work was conducted during the 2024 fiscal year.

(Expressed in Canadian dollars)

11. SHARE CAPITAL

Authorized
An unlimited number of the following shares:

Class "A" common shares voting common shares, no par value
Preferred Shares special non-voting shares, no par value

Issued and fully paid
Class "A" common shares

	Number of shares	
		$
Balance, September 30, 2022	**55,746,107**	**74,196,785**
Shares issued for cash (1)(2)	1,488,640	644,888
Shares issued on exercise of stock options	400,000	452,000
Shares issued on exercise of warrants	289,855	83,333
Share issuance costs	-	(9,956)
Balance, September 30, 2023	**57,924,602**	**75,367,050**
Shares issued for cash (3)(4)(5)(6)	4,359,568	718,417
Share issuance costs	-	(90,050)
Balance, September 30, 2024	**62,284,170**	**75,995,417**

(1) On December 29, 2022, the Company completed a flow-through private placement for gross proceeds of $642,616. The private placement was comprised of 988,640 flow-through shares at a price of $0.65 per share. The proceeds from the financing ($642,616) were allocated between share capital ($444,888) and a deferred liability ($197,728) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial position The Company incurred share issuance costs of $9,956 which have been presented as a reduction of share capital.

(2) On December 29, 2022, the Company completed a private placement for gross proceeds of $200,000. The private placement was comprised of 500,000 units at a price of $0.40 per unit. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.65 until December 29, 2023. The proceeds from the financing ($200,000) were allocated entirely to share capital ($200,000), after which there was no residual amount to allocate to warrants.

(3) On December 21, 2023, the Company completed a flow-through private placement for gross proceeds of $300,200. The private placement was comprised of 1,580,000 flow-through shares at a price of $0.19 per share. In connection with the financing, the Company paid cash finders' fees of $17,714 and issued, as additional consideration, 94,800 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.22 until December 21, 2026. The proceeds from the financing ($300,200) were allocated between share capital ($268,600) and a deferred liability ($31,600) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial

position The warrants issued as commissions have been recorded at a value of $11,565 based on the Black-Scholes option pricing model, using the following assumptions: stock price of $0.17, risk-free interest rate of 3.73%, expected life of warrants of 3 years, annualized volatility of 129% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of $7,499 which have been presented as a reduction of share capital.

(4) On December 21, 2023, the Company completed a private placement for gross proceeds of $50,000. The private placement was comprised of 294,118 units at a price of $0.17 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.22 until December 21, 2026. In connection with the financing, the Company paid cash finders' fees of $3,298 and issued, as additional consideration, 17,647 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.22 until December 21, 2026. The proceeds from the financing ($50,000) were allocated entirely to share capital ($50,000), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of $2,153 based on the Black-Scholes option pricing model, using the following assumptions: stock price of $0.17, risk-free interest rate of 3.73%, expected life of warrants of 3 years, annualized volatility of 129% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants.

(5) On May 6, 2024, the Company completed a flow-through private placement for gross proceeds of $400,001. The private placement was comprised of 2,352,950 flow-through shares at a price of $0.17 per share. In connection with the financing, the Company paid cash finders' fees of $24,000 and issued, as additional consideration, 141,177 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.20 until May 6, 2027. The proceeds from the financing ($400,001) were allocated between share capital ($352,942) and a deferred liability ($47,059) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial position The warrants issued as commissions have been recorded at a value of $14,642 based on the Black-Scholes option pricing model, using the following assumptions: stock price of $0.15, risk-free interest rate of 4.03%, expected life of warrants of 3 years, annualized volatility of 122% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of $4,349 which have been presented as a reduction of share capital.

(6) On May 6, 2024, the Company completed a private placement for gross proceeds of $50,000. The private placement was comprised of 312,500 units at a price of $0.16 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 until May 6, 2027. In connection with the financing, the Company paid cash finders' fees of $3,000 and issued, as additional consideration, 18,750 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.20 until May 6, 2027. The proceeds from the financing ($50,000) were allocated between share capital ($46,875) and warrants ($3,125) using the residual method. The warrants issued as commissions have been recorded at a value of $1,830 based on the Black-Scholes option pricing

(Expressed in Canadian dollars)

model, using the following assumptions: stock price of $0.15, risk-free interest rate of 4.03%, expected life of warrants of 3 years, annualized volatility of 122% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants.

12. WARRANTS

The following table reflects the continuity of outstanding warrants:

	Number of warrants	Weighted average exercise price
		$
Balance, September 30, 2022	**3,749,019**	**0.71**
Issued	250,000	0.65
Exercised	(289,855)	0.2875
Expired	(2,504,947)	0.73
Balance, September 30, 2023	**1,204,217**	**0.77**
Issued	878,992	0.21
Expired	(398,148)	0.83
Balance, September 30, 2024	**1,685,061**	**0.46**

As at September 30, 2024, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	$	$	
156,863	-	1.0625	December 23, 2024
428,571	-	0.55	December 29, 2024
42,857	17,399	0.55	December 29, 2024
177,778	-	0.9375	February 10, 2025
294,118	-	0.22	December 21, 2026
112,447	13,718	0.22	December 21, 2026
312,500	3,125	0.20	May 6, 2027
159,927	16,472	0.20	May 6, 2027
1,685,061	**50,714**		

(Expressed in Canadian dollars)

As at September 30, 2023, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	$	$	
250,000	-	0.65	December 29, 2023
148,148	-	1.125	July 5, 2024
156,863	-	1.0625	December 23, 2024
428,571	-	0.55	December 29, 2024
42,857	17,399	0.55	December 29, 2024
177,778	-	0.9375	February 10, 2025
1,204,217	**17,399**		

13. STOCK OPTIONS

The following table reflects the continuity of stock options outstanding:

	Number of stock options	Weighted average exercise price
		$
Balance, September 30, 2022	**9,183,000**	**0.73**
Exercised	(400,000)	0.50
Expired	(288,000)	0.52
Balance, September 30, 2023	**8,495,000**	**0.74**
Expired	(55,000)	0.50
Balance, September 30, 2024	**8,440,000**	**0.74**

As at September 30, 2024, the following stock options were outstanding and exercisable:

	Outstanding			Exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price
		(in years)			
$0.50	5,490,000	1.65	$0.50	5,490,000	$0.50
$1.20	2,950,000	1.41	$1.20	2,950,000	$1.20
	8,440,000	**1.57**	**$0.74**	**8,440,000**	**$0.74**

(Expressed in Canadian dollars)

As at September 30, 2023, the following stock options were outstanding and exercisable:

	Outstanding			Exercisable	
Range of exercise prices	**Number outstanding**	**Weighted average remaining contractual life** (in years)	**Weighted average outstanding exercise price**	**Number vested**	**Weighted average vested exercise price**
$0.50	5,545,000	2.63	$0.50	5,366,000	$0.50
$1.20	2,950,000	2.41	$1.20	1,770,000	$1.20
	8,495,000	**2.55**	**$0.74**	**7,136,000**	**$0.67**

Stock-based compensation of $329,008 (all of which relates to equity-settled stock-based payment transactions) was included in the statements of comprehensive loss for the year ended September 30, 2024 (2023 - $894,251) and credited to contributed surplus.

14. SUPPLEMENTAL CASH FLOW INFORMATION

For the year ended September 30	**2024**	Restated (Note 20) 2023
	$	$
Changes in non-cash working capital are as follows:		
Sales taxes receivable	**(13,994)**	641,594
Amounts due from related parties	**34,249**	(51,967)
Other receivables	**-**	9,535
Tax credits	**48,654**	1,079,347
Prepaid expenses	**73,814**	(98,805)
Deposits	**85,141**	-
Current portion of long-term receivable	**400,000**	250,000
Accounts payable and accrued liabilities	**11,664**	(381,524)
	639,528	1,448,180

15. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash, amounts due from related parties, other receivables and long-term receivable and maximum exposure is equal to the carrying values of these assets, totalling $30,300 at September 30, 2024 (2023 - $972,279). The Company's cash is held at several reputable financial institutions with high external credit ratings. The exposure to credit risk for the Company's receivables is considered immaterial. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at September 30, 2024, the Company had a working capital deficiency of $5,387,507. During the year ended September 30, 2024, the Company had negative cash flows from operations of $1,109,716 (2023 - $2,647,964). The Company's ability to realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration activities in fiscal 2025, is dependent upon Management's ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company.

As at September 30, 2024, the Company has financial liabilities of $5,426,983 (2023 - $5,475,319) all of which are due within twelve months (2023 - $5,415,319).

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates given that its transactions are carried out primarily in Canadian dollars.

(iv) 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 Company's financial assets exposed to interest rate risk include cash held in interest bearing bank accounts with variable interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments with maturities of 360 days or less from the original date of acquisition. As at September 30, 2024, the Company had cash balances of $1,688 ($137,711 as at September 30, 2023) and interest income derived from these investments during the year ended September 30, 2024 was $197 (2023 - $8,038). The $60,000 loan received under the Canadian federal government's CEBA program (Note 9) was interest free if repaid within the required timeframe, so there was no associated interest rate risk.

The Company has limited exposure to financial risk arising from fluctuations in variable interest rates earned on cash given the low interest rates currently in effect and the low volatility of these rates.

<u>*Capital management*</u>

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders as well as ensuring that all flow-through monies obtained are utilized in exploration activities and spent by the required deadline. In the management of capital, the Company includes the components of shareholders' equity. As long as the Company is in the exploration stage of its mining properties, it is not the intention of the Company to contract additional debt obligations to finance its work programs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. When financing conditions are not optimal, the Company may enter into option agreements or find other solutions to continue its activities or may slow its activities until conditions improve.

(Expressed in Canadian dollars)

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than those of the TSX Venture Exchange ("TSXV") which require adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2024, the Company was non-compliant with respect to the above TSXV capital requirement. Any impact of non-compliance is at the discretion of the TSXV.

16. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts due from related parties, other receivables, long-term receivable, accounts payable and accrued liabilities, other current liabilities, amounts due to related parties and long-term liability. The fair value of the other financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

As at	**September 30, 2024**	Restated (Note 20) September 30, 2023
	$	$
Financial assets		
Amortized cost		
Cash	**1,688**	137,711
Amounts due from related parties (Note 17)	**17,718**	51,967
Other receivables	**10,894**	10,894
Long-term receivable	**-**	771,707
Total financial assets	**30,300**	972,279
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	**(2,197,586)**	(2,185,922)
Other current liabilities (Note 8)	**(929,397)**	(929,397)
Amounts due to related parties (Note 17)	**(2,300,000)**	(2,300,000)
Long-term liability (Note 9)	**-**	(60,000)
Total financial liabilities	**(5,426,983)**	(5,475,319)

(Expressed in Canadian dollars)

17. RELATED PARTY TRANSACTIONS

All entities identified below meet the definition of a related party by virtue of being controlled or significantly influenced by a director or a member of key management of the Company. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

As at	**September 30, 2024**	September 30, 2023
	$	$
Included in amounts due from related parties		
Grafoid Inc.	**17,718**	51,967
Included in accounts payable and accrued liabilities		
Braille Energy Systems Inc.	**4,989**	-
Included in amounts due to related parties		
JJJY Holdings Inc.	**2,300,000**	2,300,000

All amounts above are unsecured, non-interest bearing, and due on demand.

Transactions with key management personnel

The following table reflects compensation of key management personnel, including the CEO, CFO and Directors:

	2024	2023
	$	$
Salaries	**175,000**	123,958
Consulting fees	**101,256**	143,860
Stock-based compensation	**278,402**	749,828
	554,658	1,017,646

18. COMMITMENTS

Offtake Agreements

Grafoid Inc.

In September 2015, the Company executed two definitive offtake agreements with Grafoid Inc. (“Grafoid”), a related party, as follows:

(a) *Graphene Offtake*

Under the terms of the Graphene Offtake agreement, Grafoid is to pay Focus $1,000,000, for the right of first refusal to purchase up to an annual maximum of 1,000 tonnes of high-purity graphite concentrate for a 10 year period. It also grants Grafoid the right of first refusal to extend and expand the agreement for an additional 10 year period. The pricing for an additional 10 year period would be set at market price less 10%.

(b) *Polymer Offtake*

Under the terms of the Polymer Offtake agreement, Grafoid is to pay Focus $1,000,000, for the right of first refusal to purchase up to an annual maximum of 25,000 tonnes of graphite concentrate for a 10 year period. It also grants Grafoid the right of first refusal to extend and expand the agreement for an additional 10 year period. The pricing for an additional 10 year period would be set at market price less 10%.

As at September 30, 2024, the Company has not received any payments from Grafoid in relation to the offtake agreements. As each offtake agreement is conditional on the Company having received the entire $1,000,000 from Grafoid, the Company does not yet have any obligation to sell graphite concentrate to Grafoid.

Contracts

As at September 30, 2024, the Company has unrecognized contractual commitments of approximately $920,000, in aggregate. As triggering events have not taken place, the contingent payments have not been reflected in these financial statements.

Other

In December 2013, the Company executed an offtake agreement for future production from the Lac Knife graphite project. The strategic agreement, for up to 40,000 tonnes per year, with a minimum amount of 50% of production of graphite concentrate and value added products produced, was signed on December 19, 2013 with an industrial conglomerate, comprised of heavy industry, manufacturing and technology companies located in Dalian City, Liaoning Province, China. The 10 year agreement calls for the supply of up to 40,000 tonnes per year of large, medium and fine flake graphite concentrate and value added graphite products from the proposed Lac Knife mining and processing facility. The specific terms of the agreement, including pricing and renewal rights, are confidential for competitive reasons.

19. CONTINGENCIES

The Company may, from time to time, be involved in various claims, legal proceedings or complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of any such actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

As at September 30, 2024, two legal claims remained ongoing against the Company by a former officer of the Company. The pleadings are closed in the first action, which was commenced in 2021. However, the exchange of productions remains ongoing and examinations for discovery have not been completed. In the second action, which was commenced in 2022, the pleadings are not closed, productions have not been exchanged, and examinations for discovery have not been completed. As such, it is too early to evaluate these claims.

20. RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

The Company has restated its comparative figures in these financial statements to record exploration expenses of $436,017, legal fees of $22,722 and interest accretion on long-term receivable of $154,902 not previously accrued (“PPE Adjustment”).

The Company has further restated its comparative figures in these financial statements to account for its change in accounting policy with respect to exploration and evaluation expenditures (Note 4) (“CAP Adjustment”) which has been applied retrospectively.

(Expressed in Canadian dollars)

The following tables show the adjustments and restated amounts for the statements of financial position at September 30, 2023 and 2022, the statement of comprehensive loss for the year ended September 30, 2023, and the statement of cash flows for the year ended September 30, 2023.

As at September 30, 2023	Previously stated	PPE Adjustment	CAP Adjustment	Restated
	$	$	$	$
ASSETS				
Current assets				
Cash	137,711	-	-	137,711
Sales tax receivable	16,807	-	-	16,807
Amounts due from related parties	51,967	-	-	51,967
Other receivables	10,894	-	-	10,894
Tax credits	48,654	-	-	48,654
Current portion of long-term receivable	-	771,707	-	771,707
Prepaid expenses	112,714	-	-	112,714
	378,747	771,707	-	1,150,454
Deposits	85,141	-	-	85,141
Mineral exploration properties	931,679	-	(931,679)	-
Exploration and evaluation assets	36,862,912	-	(36,862,912)	-
Mineral assets held for sale	616,805	(616,805)	-	-
Total assets	38,875,284	154,902	(37,794,591)	1,235,595
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	1,727,183	458,739	-	2,185,922
Amounts due to related parties	2,300,000	-	-	2,300,000
Other current liabilities	1,127,125	-	-	1,127,125
	5,154,308	458,739	-	5,613,047
Long-term liability	60,000	-	-	60,000
Deferred government grant	52,500	-	-	52,500
Total liabilities	5,266,808	458,739	-	5,725,547
EQUITY				
Share capital	75,367,050	-	-	75,367,050
Warrants	17,399	-	-	17,399
Contributed surplus	19,532,753	-	-	19,532,753
Accumulated other comprehensive income	273,242	-	-	273,242
Deficit	(61,581,968)	(303,837)	(37,794,591)	(99,680,396)
Total equity	33,608,476	(303,837)	(37,794,591)	(4,489,952)
Total liabilities and equity	38,875,284	154,902	(37,794,591)	1,235,595

(Expressed in Canadian dollars)

As at September 30, 2022	Previously stated	PPE Adjustment	CAP Adjustment	Restated
	$	$	$	$
ASSETS				
Current assets				
Cash	1,473,783	-	-	1,473,783
Sales tax receivable	658,401	-	-	658,401
Other receivables	20,429	-	-	20,429
Tax credits	1,128,001	-	-	1,128,001
Prepaid expenses	13,909	-	-	13,909
	3,294,523	-	-	3,294,523
Deposits	85,141	-	-	85,141
Mineral exploration properties	931,679	-	(931,679)	-
Exploration and evaluation assets	34,417,205	-	(34,417,205)	-
Long-term receivable	-	1,116,805	-	1,116,805
Mineral assets held for sale	1,116,805	(1,116,805)	-	-
Total assets	39,845,353	-	(35,348,884)	4,496,469
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,567,445	-	-	2,567,445
Amounts due to related parties	2,300,000	-	-	2,300,000
Other current liabilities	1,160,509	-	-	1,160,509
	6,027,954	-	-	6,027,954
Long-term liability	60,000	-	-	60,000
Deferred government grant	52,500	-	-	52,500
Total liabilities	6,140,454	-	-	6,140,454
EQUITY				
Share capital	74,196,785	-	-	74,196,785
Warrants	324,010	-	-	324,010
Contributed surplus	18,583,891	-	-	18,583,891
Accumulated other comprehensive income	273,242	-	-	273,242
Deficit	(59,673,029)	-	(35,348,884)	(95,021,913)
Total equity	33,704,899	-	(35,348,884)	(1,643,985)
Total liabilities and equity	39,845,353	-	(35,348,884)	4,496,469

(Expressed in Canadian dollars)

For the year ended September 30, 2023	Previously stated	PPE Adjustment	CAP Adjustment	Restated
	$	$	$	$
Operating expenses				
Management and consulting fees	570,320	-	-	570,320
Salaries and benefits	143,624	-	-	143,624
Travel and promotion	32,879	-	-	32,879
Professional fees	239,164	22,722	-	261,886
Exploration and evaluation	-	436,017	2,445,707	2,881,724
Stock-based compensation	894,251	-	-	894,251
Office	173,602	-	-	173,602
Loss before other income (expenses)	(2,053,840)	(458,739)	(2,445,707)	(4,958,286)
Other income (expenses)				
Interest income	8,038	-	-	8,038
Part XII.6 tax	(40,147)	-	-	(40,147)
Other income related to flow-through shares	231,112	-	-	231,112
Interest accretion on long-term receivable	-	154,902	-	154,902
Loss on sale of marketable securities	(54,102)	-	-	(54,102)
Net loss and total comprehensive loss	(1,908,939)	(303,837)	(2,445,707)	(4,658,483)
Basic and diluted net loss per common share	(0.03)	(0.01)	(0.04)	(0.07)
Basic and diluted weighted average number of common shares outstanding	57,289,282	57,289,282	57,289,282	57,289,282

(Expressed in Canadian dollars)

For the year ended September 30, 2023	Previously stated	PPE Adjustment	CAP Adjustment	Restated
	$	$	$	$
OPERATING ACTIVITIES				
Net loss	(1,908,939)	(303,837)	(2,445,707)	(4,658,483)
Adjustments for:				
Stock-based compensation	894,251	-	-	894,251
Other income related to flow-through shares	(231,112)	-	-	(231,112)
Interest accretion on long-term receivable	-	(154,902)	-	(154,902)
Loss on sale of marketable securities	54,102	-	-	54,102
Changes in non-cash working capital items	(339,906)	708,739	1,079,347	1,448,180
Net cash flows from operating activities	(1,531,604)	250,000	(1,366,360)	(2,647,964)
INVESTING ACTIVITIES				
Proceeds from sale of mineral assets	250,000	(250,000)	-	-
Proceeds from sale of marketable securities securities	195,899	-	-	195,899
Exploration and evaluation costs	(2,494,361)	-	2,494,361	-
Tax credits and mining duties received	1,128,001	-	(1,128,001)	-
Net cash flows from investing activities	(920,461)	(250,000)	1,366,360	195,899
FINANCING ACTIVITIES				
Proceeds from issuance of shares/units	842,616	-	-	842,616
Proceeds from exercise of warrants	83,333	-	-	83,333
Proceeds from exercise of options	200,000	-	-	200,000
Share issuance costs	(9,956)	-	-	(9,956)
Net cash flows from financing activities	1,115,993	-	-	1,115,993
Decrease in cash	(1,336,072)	-	-	(1,336,072)
Cash, beginning of the year	1,473,783	-	-	1,473,783
Cash, end of the year	137,711	-	-	137,711

(Expressed in Canadian dollars)

21. INCOME TAXES

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense (recovery) based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statements of comprehensive loss can be reconciled as follows:

Year ended September 30	**2024**	Restated (Note 20) 2023
	$	$
Net loss before income tax	**(1,975,745)**	(4,658,483)
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2023)	**(524,000)**	(1,234,000)
Adjustments for the following items:		
Tax impact of temporary difference for which no deferred tax asset was recorded	**415,000**	486,000
Renunciation of expenditures on flow-through shares	**-**	558,000
Stock-based compensation	**87,000**	237,000
Other	**22,000**	(47,000)
Deferred income tax expense (recovery)	**-**	-

Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The Company has recognized the following deferred tax assets and liabilities:

	2024	Restated (Note 20) 2023
	$	$
Mineral property costs	**-**	1,883,213
Non-capital losses	**-**	(1,883,213)
	-	-

(Expressed in Canadian dollars)

The Company has not recognized deferred tax assets in respect of the following items because it is not probable that future taxable income will be available against which the Company can use the benefits.

		Restated (Note 20)
	2024	2023
	$	$
Investments	**134,000**	28,000
Share issuance costs	**365,000**	662,000
Investment in associate	**809,000**	809,000
Non-capital losses	**12,944,000**	12,078,000
	14,252,000	13,577,000

As at September 30, 2024, the Company has the following non-capital losses for which no deferred tax asset was recorded. These carryforward balances expire as follows:

	$
2038	926,000
2039	4,722,000
2040	-
2041	2,650,000
2042	2,751,000
2043	1,040,000
2044	855,000
	12,944,000

22. ENTITY-WIDE REPORTING

The Company has reviewed its activities and determined that it operates in a single reportable operating segment. The Company's non-current assets are all in Canada.

23. SUBSEQUENT EVENTS

Closing of private placements

On October 8, 2024, the Company completed a private placement for gross proceeds of $400,000. The private placement was comprised of 5,333,336 units at a price of $0.075 per unit. Each unit is comprised of one common share and a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 until October 8, 2027. In connection with the financing, the Company paid cash finders' fees of $14,000 and issued, as additional consideration, 186,667 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.10 until October 8, 2027.

On November 25, 2024, the Company completed a private placement for gross proceeds of $52,500. The private placement was comprised of 700,000 units at a price of $0.075 per unit. Each unit is comprised of one common share and a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 until November 25, 2027. In connection with the financing, the Company paid cash finders' fees of $1,575 and issued, as additional consideration, 21,000 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.10 until November 25, 2027.

Shares issued in settlement of debt

On January 8, 2025, the Company issued 11,533,333 common shares to JJJY Holdings Inc. ("JJJY"), a company owned by a director of the Company, in settlement of $865,000 of debt owed to JJJY (Note 17).

Grant of stock options

On October 16, 2024, 3,150,000 stock options were granted to consultants at an exercise price of $0.09 per share, which all vested immediately and expire on October 16, 2029.