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**ABITIBI METALS CORP. (FORMERLY GOLDSEEK  
RESOURCES INC.)**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024 AND 2023**

**(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
**Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Abitibi Metals Corp. (Formerly Goldseek Resources Inc.) (the "Company"), which comprise the statement of financial position as at June 30, 2024, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity, and cash flows for the year 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 June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis of 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, and 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.

#### Material Uncertainty Related to Going Concern

We draw attention to note I in the financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2024. As stated in note I, these events or conditions, along with other matters as set forth in note I, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The 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.

## Impairment of Exploration and Evaluation assets

### *Description of the Matter*

We draw attention to Note 4 to the financial statements. The carrying value of the Company's exploration and evaluation assets were approximately \$10 million as at June 30, 2024. As discussed in Note 3 to the financial statements, the carrying value of exploration and evaluation assets is review each reporting period to determine whether there is any indication of impairment or reversal of impairment.

### *Audit Response*

Our primary procedures to address this key audit matter include i) testing the operating effectiveness of certain internal controls related to the Company's process to assess indicators of impairment of reversal of impairment; ii) evaluating the appropriateness of the methods and valuation models used; and iii) evaluating the reasonableness of the significant assumptions used by management. We also assessed the competence, capabilities and objectivity of the Company's personnel involved in preparing the impairment assessment.

### **Other Matter**

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

### **Other Information**

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended June 30, 2024, which we obtained prior to the date of this auditor's report.

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. 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.

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 to 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 the 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 judgment 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 risk 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 on the audit resulting in this independent auditor's report is Julia Zhou.

**October 28, 2024**  
**Markham, Ontario**

*DNTW Toronto LLP*

**Chartered Professional Accountants**  
**Licensed Public Accountants**

# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Statements of Financial Position (Expressed in Canadian Dollars)

	As at June 30, 2024	As at June 30, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 15,665,569	\$ 1,012,964
Prepaid expenses	514,629	7,848
Amounts receivable	565,021	3,453
Marketable securities (note 5)	35,000	-
<b>Total current assets</b>	<b>16,780,219</b>	<b>1,024,265</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (notes 4 and 8)	10,399,987	4,272,473
<b>Total assets</b>	<b>\$ 27,180,206</b>	<b>\$ 5,296,738</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 6 and 8)	\$ 1,118,663	\$ 105,816
Premium on flow-through shares (notes 7 and 11)	2,385,309	80,648
<b>Total current liabilities</b>	<b>3,503,972</b>	<b>186,464</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (note 9)	1,109,340	532,000
<b>Total liabilities</b>	<b>4,613,312</b>	<b>718,464</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	25,495,131	5,622,427
Warrants (note 7)	269,346	60,866
Reserve (note 7)	462,067	391,239
Deficit	(3,659,650)	(1,496,258)
<b>Total shareholders' equity</b>	<b>22,566,894</b>	<b>4,578,274</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 27,180,206</b>	<b>\$ 5,296,738</b>

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

Nature of operations and going concern (note 1)

Commitment (note 11)

Subsequent events (note 13)

### Approved on behalf of the Board:

(Signed) "Jonathon Deluce"          Director

(Signed) "Norman Farrell"          Director

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**Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)****Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)**

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	Year Ended June 30, 2024	Year Ended June 30, 2023
<b>Expenses</b>		
Consulting (note 8)	\$ 409,156	\$ 17,500
General and administrative (note 8)	71,921	26,700
Investor relations	1,624,839	30,625
Professional fees (note 8)	122,902	58,447
Regulatory fees	66,024	25,123
Share-based payments (notes 7 and 8)	436,920	-
<b>Net loss from operations</b>	<b>(2,731,762)</b>	<b>(158,395)</b>
<b>Other items</b>		
Reversal of flow-through premium (notes 7 and 11)	503,862	6,852
Gain on marketable securities (note 5)	25,000	-
Interest income	367,641	31,512
Impairment of exploration and evaluation assets (note 4)	-	(62,409)
	<b>896,503</b>	<b>(24,045)</b>
<b>Loss before taxes for the year</b>	<b>(1,835,259)</b>	<b>(182,440)</b>
Deferred tax expense (note 9)	(577,340)	(288,000)
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (2,412,599)</b>	<b>\$ (470,440)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>83,798,808</b>	<b>50,587,627</b>

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

## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

	Number of shares	Share capital	Warrants	Reserve	Deficit	Total
<b>Balance, June 30, 2022</b>	<b>37,676,061</b>	<b>\$ 4,817,677</b>	<b>\$ 161,433</b>	<b>\$ 448,747</b>	<b>\$ (1,183,893)</b>	<b>\$ 4,243,964</b>
Shares issued for cash, net	21,257,143	831,500	-	-	-	831,500
Premium on flow-through shares	-	(87,500)	-	-	-	(87,500)
Stock options expired	-	-	-	(57,508)	57,508	-
Shares issued for exploration and evaluation assets	1,350,000	60,750	-	-	-	60,750
Warrants expired	-	-	(100,567)	-	100,567	-
Net loss and comprehensive loss for the year	-	-	-	-	(470,440)	(470,440)
<b>Balance, June 30, 2023</b>	<b>60,283,204</b>	<b>\$ 5,622,427</b>	<b>\$ 60,866</b>	<b>\$ 391,239</b>	<b>\$ (1,496,258)</b>	<b>\$ 4,578,274</b>
Shares issued for cash, net	39,700,223	20,475,079	269,346	-	-	20,744,425
Premium on flow-through shares	-	(2,808,523)	-	-	-	(2,808,523)
Exercise of stock options	3,800,000	405,452	-	(155,452)	-	250,000
Exercise of warrants	3,081,500	566,674	(22,299)	-	-	544,375
Stock options expired	-	-	-	(210,640)	210,640	-
Shares issued for exploration and evaluation assets	3,164,160	1,234,022	-	-	-	1,234,022
Warrants expired	-	-	(38,567)	-	38,567	-
Share-based payments	-	-	-	436,920	-	436,920
Net loss and comprehensive loss for the year	-	-	-	-	(2,412,599)	(2,412,599)
<b>Balance, June 30, 2024</b>	<b>110,029,087</b>	<b>\$ 25,495,131</b>	<b>\$ 269,346</b>	<b>\$ 462,067</b>	<b>\$ (3,659,650)</b>	<b>\$ 22,566,894</b>

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



# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year Ended June 30, 2024	Year Ended June 30, 2023
<b>Operating activities</b>		
Net loss for the year	\$ (2,412,599)	\$ (470,440)
Adjustments for:		
Share-based payments	436,920	-
Reversal of flow-through premium	(503,862)	(6,852)
Gain on marketable securities	(25,000)	-
Impairment of exploration and evaluation assets	-	62,409
Deferred tax expense	577,340	288,000
Changes in non-cash working capital items:		
Amounts receivable	(561,568)	95,121
Prepaid expenses	(506,781)	6,057
Accounts payable and accrued liabilities	204,205	5,553
<b>Net cash used in operating activities</b>	<b>(2,791,345)</b>	<b>(20,152)</b>
<b>Investing activities</b>		
Exploration and evaluation assets	(4,094,850)	(121,689)
<b>Net cash used in investing activities</b>	<b>(4,094,850)</b>	<b>(121,689)</b>
<b>Financing activities</b>		
Issuance of shares for cash, net	20,744,425	831,500
Stock options exercised	250,000	-
Warrants exercised	544,375	-
<b>Net cash provided by financing activities</b>	<b>21,538,800</b>	<b>831,500</b>
<b>Net change in cash</b>	<b>14,652,605</b>	<b>689,659</b>
<b>Cash, beginning of year</b>	<b>1,012,964</b>	<b>323,305</b>
<b>Cash, end of year</b>	<b>\$ 15,665,569</b>	<b>\$ 1,012,964</b>
<b>Supplemental cash flow information</b>		
Interest received from cash	\$ 367,641	\$ 31,512
Exploration and evaluation assets included in accounts payable and accrued liabilities	\$ 877,012	\$ 68,370
Shares issued pursuant to acquisition of exploration and evaluation assets	\$ 1,234,022	\$ 60,750
Shares received for exploration and evaluation assets	\$ 10,000	\$ -
Recognition of premium on flow-through shares	\$ 369,632	\$ 87,500
Expired options and warrants transferred to deficit	\$ 249,207	\$ 158,075
Taxes paid in cash	\$ -	\$ -

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

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **1. Nature of operations and going concern**

Abitibi Metals Corp. (formerly Goldseek Resources Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act on September 21, 2018. The Company is in the business of acquiring and exploring mineral properties. On February 14, 2020, the Company filed a non-offering prospectus and became a reporting issuer in the provinces of British Columbia and Ontario. The Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") on March 9, 2020 under the stock symbol "GSK". On October 13, 2023, the Company changed its name from Goldseek Resources Inc. to Abitibi Metals Corp. and the Company's trading symbol on the CSE changed to "AMQ". The address of the Company's corporate office and principal place of business is 1231 Huron Street, London, Ontario, N5Y 4L1, Canada.

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company will require additional financing in order to further develop its exploration properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing equity financings in the past, there is no assurance that it will be able to do so in the future and on terms acceptable to management. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

### **2. Basis of presentation and statement of compliance**

#### **Statement of compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared in compliance with IFRS and in accordance with the accounting policies described in note 3, Summary of Significant Accounting Policies. The policies set out below have been consistently applied to all the periods presented, unless otherwise noted.

The financial statements for the year ended June 30, 2024 were reviewed and authorized for issue by the Board of Directors on October 28, 2024.

#### **Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

The preparation of these financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **3. Summary of significant accounting policies**

The accounting policies set out below have been applied in preparing the financial statements for the years ended June 30, 2024 and 2023.

#### **Functional and presentation currency**

The Company's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statements of operations.

#### **Cash**

Cash includes cash on hand, balances with banks and investments with original maturities of ninety days or less, and deposits held in trust. During the year ended June 30, 2024, the Company earned \$367,641 (2023 - \$31,512) interest from its cash balance.

#### **Exploration and evaluation expenditures**

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activities.

Acquisition costs and exploration and evaluation expenditures are capitalized until the viability of the exploration properties is determined. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of the extraction of mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **3. Summary of significant accounting policies (continued)**

#### **Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

As at June 30, 2024 and 2023, the Company had no rehabilitation provision.

#### **Income taxes**

##### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred income tax

Deferred income tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **3. Summary of significant accounting policies (continued)**

#### **Loss per share**

Basic loss per share is computed by dividing the Company's loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the Company's profit or loss applicable to common shares, by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted at the beginning of the period. For the years ended June 30, 2024 and 2023, the Company's diluted loss per share is the same as basic loss per share as the Company's stock options or share purchase warrants were anti-dilutive.

#### **Flow-through shares**

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby it agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the estimated market price or quoted price of the shares and the amount the investor pays for the flow-through shares. A flow-through share premium liability is recognized for this difference.

The Company may renounce the deductions for tax purposes related to the eligible exploration and evaluation expenditures on the date the flow-through shares are issued under the look-back rule. Where the look-back rule is unavailable, the deduction for tax purposes are renounced as incurred. The flow-through share premium liability is reduced on a pro-rata basis and recorded in profit or loss based on the incurred eligible expenditures that qualify for renunciation.

#### **Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The grant date fair value of options that are unexercised upon expiry is removed from reserve and transferred to deficit.

#### **Financial instruments**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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### 3. Summary of significant accounting policies (continued)

#### Financial instrument (continued)

The Company classifies its financial instruments as follows:

Cash	Amortized cost
Marketable securities	FVTPL
Accounts payable	Amortized cost

#### Measurement

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

##### *Debt investments at FVTOCI*

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### *Equity investments at FVTOCI*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **3. Summary of significant accounting policies (continued)**

#### **Financial instrument (continued)**

##### Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

##### **Impairment of non-financial assets**

At the end of each reporting period, the carrying amounts of the Company's assets, or each cash-generating unit ("CGU"), are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

##### **Accounting estimates and judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there are significant risk of material adjustments to assets and liabilities in future accounting periods include:

- Recoverable amount of its exploration and evaluation assets: Management assesses whether it is likely that exploration and evaluation costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statements of loss and comprehensive loss in the period when the new information becomes available.

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## **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

### **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **3. Summary of significant accounting policies (continued)**

#### **Accounting estimates and judgments (continued)**

Significant judgments:

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in the Company's financial statements include:

- The Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- Deferred tax assets and liabilities: The measurement of the deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of deferred taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. For deferred tax calculation purposes, management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

#### **Accounting standards issued but not yet effective**

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.



## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

#### 4. Exploration and evaluation assets

During the years ended June 30, 2024 and 2023, the Company's exploration and evaluation asset activities were as follows:

	Bonanza	Horizon	Quevillon West	Southern Arm	Val D'Or North	Beschefer	B26	Total
Balance, June 30, 2022	\$ 1,053,290	\$ 594,210	\$ 62,409	\$ 123,620	\$ 149,963	\$ 2,160,576	\$ -	\$ 4,144,068
Acquisition	-	-	-	879	-	65,750	-	66,629
Exploration expenditures:								
Consulting	22,187	15,000	-	6,159	5,255	16,495	-	65,096
Drilling	-	-	-	-	-	46,705	-	46,705
Geochemistry	-	69,611	-	-	-	-	-	69,611
Government grants	-	(30,722)	-	-	-	-	-	(30,722)
Tax credits received	-	-	-	-	-	(26,505)	-	(26,505)
Impairment	-	-	(62,409)	-	-	-	-	(62,409)
Balance, June 30, 2023	1,075,477	648,099	-	130,658	155,218	2,263,021	-	4,272,473
Acquisition	-	-	-	-	-	1,536	1,289,913	1,291,449
Exploration expenditures:								
Consulting	15,123	880	-	723	8,312	12,666	348,425	386,129
Drilling	-	-	-	-	-	677,761	3,661,466	4,339,227
Surveying and geophysics	-	-	-	-	-	-	149,515	149,515
Government grants	-	-	-	-	-	(28,806)	-	(28,806)
Recovery	(10,000)	-	-	-	-	-	-	(10,000)
Balance, June 30, 2024	\$ 1,080,600	\$ 648,979	\$ -	\$ 131,381	\$ 163,530	\$ 2,926,178	\$ 5,449,319	\$ 10,399,987

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **4. Exploration and evaluation assets (continued)**

#### **Bonanza Property**

The Bonanza Property is located near the Municipality of Senneterre, Quebec. On October 11, 2018, the Company signed a purchase agreement with Delford Investments Inc., Jonathon Deluce (Chief Executive Officer ("CEO") of the Company) and Bradel Properties Ltd. (a shareholder of the Company) and Delinks Holdings Ltd. (a shareholder of the Company) (collectively, the "Bonanza Sellers") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the Bonanza Property. In terms of the agreement, the Company was required to issue 6,000,000 consideration shares to satisfy payment of the purchase price of \$300,000. In addition to the issuance of the consideration shares, the Company has also granted the Bonanza Sellers an undivided royalty equal to 3.0% of the Net Smelter Return ("NSR") in respect to any production from the Bonanza Property.

On June 6, 2023, the Company entered into an option agreement with Mabel Ventures Inc. ("Mabel"), a public British Columbia company, wherein Mabel has the right to earn 51% interest in the Bonanza Project. Pursuant to the terms of the option agreement:

- Mabel may acquire a 25% interest in the project by incurring \$100,000 of expenditures and issuing 500,000 common shares to the Company (received, see note 5) on or before December 31, 2023.
- Following the acquisition of the initial 25% interest in the project, Mabel may acquire a further 26% interest by incurring \$150,000 of expenditures on or before December 31, 2024.

In the event that Mabel exercised all or a portion of the option, at the conclusion of the option period, the parties will enter into a joint venture to advance the development of the project.

#### **Horizon Property**

##### ***Horizon #1 Property***

The Horizon #1 Property is located near the Township of Wabikoba Lake Area, Ontario. On February 22, 2019, the Company signed a purchase agreement with four parties, two of which are related to directors (collectively, the "Horizon #1 Sellers") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the property. In terms of the agreement, the Company was required to issue 3,500,000 consideration shares to satisfy payment of the purchase price of \$175,000. In addition to the issuance of the consideration shares, the Company has also granted the Horizon #1 Sellers an undivided royalty equal to 3.0% of the NSR in respect to any production from the Horizon #1 Property.

##### ***Horizon #2 Property***

The Horizon #2 Property is located near the Township of Wabikoba Lake Area, Ontario. On February 22, 2019, the Company signed a purchase agreement with North American Exploration Inc. (the "Horizon #2 Seller") to purchase the property, including surface rights, mineral rights and personal property and permits associated with the property. According to the agreement, the Company was required to issue 150,000 consideration shares to satisfy payment of the purchase price of \$7,500. Upon issuance of the consideration shares, the Company has also granted the Horizon #2 Seller an undivided royalty equal to 3.0% of the NSR in respect to any production from the Horizon #2 Property.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **4. Exploration and evaluation assets (continued)**

#### ***Horizon North-West Property***

The Company acquired 100% interest in the Horizon North-West property on July 21, 2020. The property is subject to a 3.0% NSR. Pursuant to the definitive agreement, the Company issued 40,000 shares valued at \$16,200. The Company can purchase half of the NSR royalty at any time for \$1,500,000 from the legacy royalty holders.

Collectively, the Horizon #1 Property, the Horizon #2 Property and the Horizon North-West Property are presented as the Horizon property.

#### **Quevillon West Property**

During the year ended June 30, 2020, the Company acquired the Quevillon West Property by direct staking.

During the year ended June 30, 2023, the Company decided to no longer pursue the property and recorded an impairment loss of \$62,409.

#### **Southern Arm Property**

On April 22, 2020, the Company acquired the Southern Arm Property by direct staking. On May 26, 2020, the Company acquired additional 8 claims from Midland Exploration Inc. ("Midland"). The agreement for the property acquisition is as follows:

- The 8 claims were acquired through an exchange of properties agreement with Midland whereby the Company exchanged its Quevillon North Property (see below). The Company granted to Midland a 2% NSR on the Property with a 1% buyback option for \$1 million. Midland agreed to assume the 2% NSR payable on the Quevillon North property as described below:
- The Quevillon North property was acquired by the Company on May 12, 2020. Pursuant to a definitive agreement, the Company acquired 100% interest, subject to a 2% NSR, in the Quevillon North property from two vendors which owned the property as to 50% each, and one vendor was a company controlled by the CEO of the Company. The terms of the purchase were as follows:
  - Upon CSE acceptance, pay \$1,000 in cash (paid) and issue 15,000 shares of the Company (issued with a fair value of \$4,500); and
  - The Company can purchase 1% (or 1/2) of the NSR at any time for \$1 million. The royalty was agreed to be assumed by Midland under the terms of the exchange of properties agreement.

#### **Val D'Or North Property**

In November 2020, the Company acquired the Val D'Or North Property through direct staking.

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# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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### 4. Exploration and evaluation assets (continued)

#### Beschefer Property

In February 2021, the Company entered into an option agreement to acquire 100% of the Beschefer Property from Wallbridge Mining Company Limited. Pursuant to the terms of the option agreement, the Company can exercise the option to acquire the property by:

- Incurring \$3,000,000 in exploration expenditures as follows:
  - \$500,000 on or before the first anniversary (incurred);
  - \$1,250,000 accumulated total on or before the second anniversary (incurred); and
  - \$3,000,000 accumulated total on or before the fourth anniversary.
- Issuing 4,283,672 common shares of the Company as follows:
  - 750,000 common shares following the execution of the agreement (issued);
  - 750,000 common shares on the first anniversary (issued);
  - 750,000 common shares on the second anniversary (issued); and
  - 2,033,672 common shares on the fourth anniversary.

The Beschefer property is subject to a 1% and a 2% NSR on any future commercial production.

In February 2023, the Company acquired 100% ownership of additional claims expanding the Beschefer property. For consideration, the Company made a cash payment of \$5,000 and issued 600,000 common shares (valued at \$27,000). The additional claims are subject to a 2% NSR, half of which can be purchased at any time for \$1,000,000.

#### B26

On November 15, 2023, the Company signed a definitive agreement (the "Definitive Agreement") to acquire up to 80% of the B26 Deposit ("B26") from SOQUEM Inc. ("SOQUEM"). Pursuant to the terms of the Definitive Agreement, the Company has the right to earn an 80% interest in B26 through a two-phase option:

In order to earn an undivided 50% interest in B26,

- Make a cash payment of \$50,000 and issue 5% of the Company's total issued and outstanding common shares on the effective date of Definitive Agreement (completed);
- Make a cash payment of \$50,000, top up shares to 9.9% based on the total issued and outstanding shares on the first anniversary of the effective date, and incur \$1,000,000 in aggregate work expenditure on or before the first anniversary of the effective date of Definitive Agreement;
- Make a cash payment of \$100,000, top up shares to 9.9% based on the total issued and outstanding shares on November 15, 2025, and incur \$4,000,000 in aggregate work expenditure on or before November 15, 2025; and
- Make a cash payment of \$200,000, top up shares to 9.9% based on the total issued and outstanding shares on November 15, 2027, and incur \$7,500,000 in aggregate work expenditure on or before November 15, 2027.

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## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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#### 4. Exploration and evaluation assets (continued)

##### B26 (continued)

In order to exercise the option to acquire an additional 30% interest for a total undivided 80% interest in B26:

- The Company shall finance and deliver a PEA, as defined under National Instrument 43-101;
- Issue shares to top up SOQUEM's total equity ownership to 9.9% of common shares;
- Make a cash payment of \$1,000,000 less reduction calculated below; and
- Incur further work expenditures of \$7,000,000 on B26 within 3 years of the Company exercising the 50% option.

The Company will determine the value of shares issued to top-up SOQUEM based on a 10-day weighted average preceding the date of issuance, which will be deducted from the \$1,000,000 cash requirement above.

The project shall convert into a joint venture with the Company taking 80% of the future development expenditures and SOQUEM taking 20% of the future development expenditures.

B26 is subject to a 2% NSR granted to SOQUEM. The Company has the right to buy back 1% of the NSR for \$2,000,000.

#### 5. Marketable securities

All of the marketable securities held by the Company were acquired through property options and sales transactions with the below companies. As at June 30, 2024, the following were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value
Mabel Ventures Inc.	500,000	\$ 10,000	\$ 25,000	\$ 35,000

During the year ended June 30, 2024:

- the Company received 500,000 shares of Mabel Ventures Inc. valued at \$10,000 at the time of receipt for the Bonanza Property (see note 4).

As at June 30, 2023, the Company did not have any marketable securities.

#### 6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	June 30, 2024	June 30, 2023
Accounts payable	\$ 999,758	\$ 65,826
Accrued liabilities	118,905	39,990
	\$ 1,118,663	\$ 105,816

# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

### 7. Share capital

#### (a) Authorized share capital

Unlimited number of common shares without par value.

#### (b) Issued

	Number of shares	Share capital
Balance, June 30, 2022	37,676,061	\$ 4,817,677
Shares issued for cash, net (i)	21,257,143	831,500
Premium on flow-through shares (i)	-	(87,500)
Shares issued for exploration and evaluation assets	1,350,000	60,750
Balance, June 30, 2023	60,283,204	5,622,427
Shares issued for cash, net (ii)(iii)(iv)	39,700,223	20,475,079
Premium on flow-through shares (iii)(iv)	-	(2,808,523)
Warrants exercised	3,081,500	544,375
Fair value of warrants exercised	-	22,299
Stock options exercised	3,800,000	250,000
Fair value of stock options exercised	-	155,452
Shares issued for exploration and evaluation assets	3,164,160	1,234,022
Balance, June 30, 2024	110,029,087	\$ 25,495,131

(i) On November 29, 2022, the Company issued 3,757,143 non-flow-through common shares at \$0.035 per share for gross proceeds of \$131,500 and 17,500,000 Quebec flow-through shares at \$0.04 per flow-through share for gross proceeds of \$700,000. The Company recorded a flow-through liability premium of \$87,500 at the time of the financing. The Company did not incur any share issuance cost.

(ii) On December 15, 2023, the Company issued 14,592,834 common shares at \$0.30 per share for gross proceeds of \$4,377,850. The Company paid finders' fees totaling \$9,450 and issued 31,500 broker warrants. Each broker warrant is exercisable at \$0.30 per share for a period of 24 months.

The 31,500 broker warrants were determined to have a fair value of \$12,792 at the time of grant as estimated using the Black-Scholes option pricing model using the following current market assumptions: expected dividend yield 0%, risk free rate of 3.94%, expected life of 2 years and expected volatility of 152%.

(iii) On December 28, 2023, the Company issued 13,571,429 charity flow-through shares at \$0.70 per share and 833,333 flow-through shares at \$0.60 per share for gross proceeds of \$10,000,000. The Company recorded a flow-through liability premium of \$1,085,714 at the time of the financing. The Company paid finders' fees totaling \$364,958 and issued 365,751 broker warrants. Each broker warrant is exercisable at \$0.70 per share for a period of 24 months.

The 365,751 broker warrants were determined to have a fair value of \$161,329 at the time of grant as estimated using the Black-Scholes option pricing model using the following current market assumptions: expected dividend yield 0%, risk free rate of 3.92%, expected life of 2 years and expected volatility of 152%.

# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

### 7. Share capital (continued)

#### (b) Issued (continued)

- (iv) On April 9, 2024, the Company issued 5,940,723 charity flow-through common shares at \$0.86 per share and 4,761,904 common shares at \$0.42 per share for gross proceeds of \$7,109,022. The Company recorded a flow-through liability premium of \$1,722,809 at the time of the financing. The Company paid finders' fees totaling \$271,182 and issued 245,550 broker warrants. Each broker warrant is exercisable at \$0.86 per share for a period of 24 months.

The 245,550 broker warrants were determined to have a fair value of \$95,225 at the time of grant as estimated using the Black-Scholes option pricing model using the following current market assumptions: expected dividend yield 0%, risk free rate of 4.20%, expected life of 2 years and expected volatility of 155%.

#### (c) Stock options

The Company adopted a stock option plan effective May 1, 2019, whereby options may be granted by the Board to officers, employees and consultants to the Company. The maximum number of stock options issuable has been set at 10% of the outstanding number of common shares. The exercise price shall not be less than the closing trading price of the shares on the day immediately preceding the grant date and the expiry date of an option shall be no later than the tenth anniversary of the grant date.

A summary of changes of the Company's stock options is presented below for the years ended June 30, 2024 and 2023:

	Number of stock options	Weighted average exercise price
Balance, June 30, 2022	3,300,000	\$ 0.20
Expired	(350,000)	0.30
Balance, June 30, 2023	2,950,000	0.19
Exercised	(3,800,000)	0.07
Granted (i)(ii)(iii)	4,700,000	0.13
Expired	(550,000)	0.40
Balance, June 30, 2024	3,300,000	\$ 0.21

- (i) On September 4, 2023, the Company granted 3,000,000 stock options to consultants of the Company. The stock options grant the holder the option to purchase one common share of the Company at a price of \$0.05 per share for a period of 2 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$103,845 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 4.55%, expected life of 2 years and expected volatility of 140%.
- (ii) On October 27, 2023, the Company granted 1,000,000 stock options to a consultant of the Company. The stock options grant the holder the option to purchase one common share of the Company at a price of \$0.10 per share for a period of 2 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$69,240 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 4.58%, expected life of 2 years and expected volatility of 140%.

## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

#### 7. Share capital (continued)

##### (c) Stock options (continued)

- (iii) On January 30, 2024, the Company granted 700,000 stock options to consultants of the Company. The stock options grant the holder the option to purchase one common share of the Company at a price of \$0.50 per share for a period of 5 years from the grant date, vesting immediately. The stock options were determined to have a fair value of \$263,835 at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield 0%, risk free rate of 3.49%, expected life of 5 years and expected volatility of 146%.

The following table reflects the stock options outstanding and exercisable as of June 30, 2024:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding
February 15, 2025	0.15	0.63	1,600,000
October 27, 2025	0.10	1.33	1,000,000
January 30, 2029	0.50	4.59	700,000
	0.21	1.68	3,300,000

Reserve represents the fair value of stock options until such time that the share-based payments are exercised, at which time the corresponding amount will be transferred to deficit.

##### (d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, June 30, 2022	7,213,280	\$ 0.40
Expired	(3,276,781)	0.50
Balance, June 30, 2023	3,936,499	0.28
Exercised	(2,836,500)	0.18
Expired	(1,099,999)	0.53
Balance, June 30, 2024	-	\$ -

There are no warrants outstanding as of June 30, 2024.



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**Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)****Notes to Financial Statements****Years Ended June 30, 2024 and 2023****(Expressed in Canadian Dollars)**

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**7. Share capital (continued)****(e) Broker warrants**

Broker warrant transactions and the number of broker warrants outstanding are summarized as follows:

	<b>Number of broker warrants</b>	<b>Weighted average exercise price</b>
Balance, June 30, 2022	834,676	\$ 0.28
Expired	(415,567)	0.28
Balance, June 30, 2023	419,109	0.28
Exercised	(245,000)	0.15
Issued	642,801	0.74
Expired	(174,109)	0.45
Balance, June 30, 2024	642,801	\$ 0.74

The following table reflects the broker warrants outstanding as of June 30, 2024:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Number of broker warrants outstanding</b>
December 15, 2025	0.30	31,500
December 28, 2025	0.70	365,751
April 9, 2026	0.86	245,550
	0.74	642,801

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## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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#### 8. Related party transactions

The Company entered into the following transactions with related parties:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Consulting (i)	\$ 26,500	\$ 17,500
Consulting included in exploration and evaluation assets (i)	186,000	57,500
Professional fees (ii)	32,829	29,057
General and administrative (ii)	27,167	15,932
	<b>\$ 272,496</b>	<b>\$ 119,989</b>

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- (i) During the year ended June 30, 2024, the Company incurred consulting fees of \$26,500 (2023 - \$17,500) and consulting fees included in exploration and evaluation assets of \$186,000 (2023 - \$57,500) to a company controlled by the CEO.
- (ii) During the year ended June 30, 2024, the Company paid professional fees and general and administrative of \$59,996 (2023 - \$44,989) to Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filing Services Limited, and Marrelli Trust Company Limited, together known as the "Marrelli Group", for an employee of Marrelli Group to act as the Chief Financial Officer of the Company and for bookkeeping, regulatory filing, corporate secretarial services, and transfer agent services. As at June 30, 2024, \$1,616 was owed to the Marrelli Group (June 30, 2023 - \$3,646) and this amount was recorded in accounts payable and accrued liabilities.

The amounts due to related parties are unsecured, non-interest bearing and are on demand.

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## Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

### Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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#### 9. Income taxes

A reconciliation of income taxes calculated at the combined statutory tax rate to the income tax expense is as follows:

	Year Ended June 30, 2024	Year Ended June 30, 2023
Loss before income taxes	\$ (1,835,259)	\$ (182,440)
Expected tax (recovery) expense at 27% (2023 - 27%)	(495,520)	(49,259)
Adjustments for the following items:		
Permanent difference	(18,074)	(1,850)
Flow-through share impact	1,322,418	386,233
Share issue costs	(200,460)	(63,975)
Others	(31,024)	16,851
Total deferred income tax expense	577,340	288,000

The significant components of the Company's deferred tax assets and liabilities are as follows:

	June 30, 2024	June 30, 2023
Non-capital losses	\$ 873,238	\$ 299,456
Share issue costs	170,622	30,349
Mineral properties	(2,153,200)	(861,805)
Net deferred tax liability	\$ (1,109,340)	\$ (532,000)

	June 30, 2024	Expiry date range	June 30, 2023	Expiry date range
<b>Temporary differences</b>				
Share issue costs	\$ 631,936	2025 to 2028	\$ 112,405	2024 to 2027
Non-capital losses available for future periods				
Canada	\$ 3,234,214	2039 to 2044	\$ 1,109,098	2039 to 2043

Tax attributes are subject to review, and potential adjustment, by tax authorities.

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# **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

## **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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### **10. Segmented information**

The Company has one operating segment involved in the exploration of resource properties. All of the Company's exploration activities were in Canada.

### **11. Commitment**

In connection with the flow-through share financings in 2023 and 2024, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) totaling \$10,000,000 by December 31, 2024 and \$5,109,022 by December 31, 2025. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at June 30, 2024, the Company is required to incur approximately \$5,125,128 of qualifying exploration expenditures by December 31, 2024 and \$5,109,022 by December 31, 2025.

### **12. Financial risks and capital management**

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposures to credit risks are on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada.

As most of the Company's cash is held by a bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution, as determined by rating agencies. The Company's maximum exposure to credit risk at June 30, 2024 was \$15,665,569 (June 30, 2023 - \$1,012,964).

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

##### 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's financial assets and liabilities and operating costs are principally denominated in Canadian dollars and as a result is not exposed to significant currency risk on its financial instruments at year end. The Company has no US dollar hedging program due to its exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

##### Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

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# Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)

## Notes to Financial Statements

Years Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

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### 12. Financial risks and capital management (continued)

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. As at June 30, 2024, the Company has a working capital of \$13,276,247. The Company's ability to continue as a going concern is dependent on management's ability to raise additional funding through future debt or equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

#### **Capital management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements. There have been no changes to the Company's capital management during the year ended June 30, 2024.

#### **Classification of financial instruments**

The following table summarizes information regarding the carrying values of the Company's financial instruments for the years then ended:

	June 30, 2024	June 30, 2023
Assets (i)	\$ 15,665,569	\$ 1,012,964
Marketable securities (ii)	\$ 35,000	\$ -
Liabilities at amortized cost (iii)	\$ 1,118,663	\$ 105,816

(i) Assets include cash which is measured at amortized cost.

(ii) Marketable securities are measured at FVTPL.

(iii) Liabilities include accounts payable and accrued liabilities at amortized cost.

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## **Abitibi Metals Corp. (Formerly Goldseek Resources Inc.)**

### **Notes to Financial Statements**

**Years Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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#### **12. Financial risks and capital management (continued)**

##### **Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

#### **13. Subsequent events**

- (i) On July 17, 2024, the Company entered into an option agreement with Usha Resources Ltd. ("USHA"), wherein USHA has the right to purchase 100% interest in the Southern Arm Property, subject to a 2% NSR. Pursuant to the terms of the option agreement, USHA can exercise the option to acquire the property by:
- Issuing 2,500,000 shares on the effective date of the agreement;
  - Issuing 2,500,000 shares on or before the first anniversary of the effective date of the agreement; and
  - Incurring \$2,000,000 in exploration expenditures on or before the second anniversary of the effective date of the agreement.
- (ii) On August 27, 2024, the Company granted 1,050,000 stock options to a director and consultants of the Company. The stock options grant the holder the option to purchase one common share of the Company at a price of \$0.40 per share for a period of 5 years from the grant date, vesting immediately.