

SEARCH MINERALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Search Minerals Inc.

Condensed Interim Consolidated Financial Statements

Six months ended May 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

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**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Notes	May 31, 2024 \$	November 30, 2023 \$
ASSETS			
Current assets			
Cash		78	7,292
Receivables		19,623	14,959
Prepaid expenses and other assets		20,641	13,739
		<u>40,342</u>	35,990
Non-current assets			
Property and equipment	6	402,577	463,265
Reclamation deposits		50,000	50,000
Staking deposits		182,691	57,212
Mineral properties (Schedule 1)	7	28,913,875	28,864,801
		<u>29,589,485</u>	29,471,268
LIABILITIES AND EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Current liabilities			
Trade payables	8	2,975,300	2,941,095
Due to related parties	8,12	499,942	474,413
Demand loans	9	443,289	266,180
		<u>3,918,531</u>	3,681,688
Non-current liabilities			
CEBA loan	10	120,000	120,000
		<u>4,038,531</u>	3,801,688
Equity attributable to shareholders			
Share capital	11	43,972,961	43,972,961
Warrants		371,992	371,992
Contributed surplus		6,410,157	6,410,157
Deficit		(25,204,156)	(25,085,530)
		<u>25,550,954</u>	25,669,580
		<u>29,589,485</u>	29,471,268

Nature of Operations (Note 1)

Going Concern (Note 2)

Subsequent Events (Notes 7, 9, 11 and 14)

Approved by the Board of Directors on December 20, 2024

"Joseph Lanzon" Director
Joseph Lanzon

"Rohan Hazelton" Director
Rohan Hazelton

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

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three and six months ended May 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	Notes	For the three months ended		For the six months ended	
		2024	May 31, 2023	2024	May 31, 2023
		\$	\$	\$	\$
GENERAL AND ADMINISTRATIVE EXPENSES					
Accounting and audit		931	33,592	15,943	60,785
Administration and management fees	12	-	156,000	-	491,000
Amortization	7	30,344	55,113	60,688	123,499
Consulting fees	12	-	14,410	-	33,160
Legal fees		-	43,106	2,761	94,473
Non-executive directors fees	12	-	32,000	-	60,000
Office and miscellaneous		18,366	65,063	32,881	144,423
Regulatory and transfer agent fees		2,581	26,419	4,270	38,323
Share-based compensation – stock options	11(c)	-	9,681	-	92,897
Shareholder communications		-	7,420	2,083	32,475
Travel and accommodation		-	28,920	-	58,748
Loss for the period before other items		(52,222)	(471,724)	(118,626)	(1,229,783)
Other income (expense) items					
Flow-through premium income		-	-	-	40,878
Loss and comprehensive loss for the period		(52,222)	(471,724)	(118,626)	(1,188,905)
Basic and diluted loss per share	11(e)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		417,287,014	416,052,231	417,287,014	415,278,223

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

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended May 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	2024 \$	2023 \$
Cash (used in) provided by		
OPERATING ACTIVITIES		
Loss for the period	(118,626)	(1,188,905)
Items not affecting operating cash:		
Amortization	60,688	123,499
Share-based compensation – stock options	-	92,897
Flow-through premium income	-	(40,878)
	<u>(57,938)</u>	<u>(1,013,387)</u>
Changes in non-cash working capital items:		
Receivables	(4,664)	658,680
Prepaid expenses and other assets	(6,902)	18,645
Accounts payable and accrued liabilities	14,967	481,354
	<u>(54,537)</u>	<u>145,292</u>
INVESTING ACTIVITIES		
Mineral property costs, net	(4,307)	(865,867)
Staking deposits, net of recoveries	(125,479)	-
Purchase of property and equipment	-	(19,800)
	<u>(129,786)</u>	<u>(885,667)</u>
FINANCING ACTIVITIES		
Issuance of common shares	-	160,000
Proceeds from demand loans	177,109	-
Government assistance	-	126,344
	<u>177,109</u>	<u>286,344</u>
Decrease in cash during the period	(7,214)	(454,031)
Cash, beginning of the period	7,292	457,537
Cash, end of the period	<u>78</u>	<u>3,506</u>
Cash paid for interest	-	-
Cash paid for income taxes	-	-

Non-cash Transactions (Note 13)

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

SEARCH MINERALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended May 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	Number of Shares #	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, November 30, 2022	414,487,014	43,756,616	519,820	6,201,777	(23,540,292)	26,937,921
Issued during the period:						
Pursuant to exercise of options	2,000,000	160,000	-	-	-	160,000
Transfer on exercise of options	-	32,345	-	(32,345)	-	-
Transfer on expiry of warrants	-	-	(50,780)	50,780	-	-
Share-based payments	-	-	-	92,897	-	92,897
Comprehensive loss for the period	-	-	-	-	(1,188,905)	(1,188,905)
Balance, May 31, 2023	416,487,014	43,948,961	469,040	6,313,109	(24,729,197)	26,001,913
Issued during the period:						
Pursuant to mineral property agreements	800,000	24,000	-	-	-	24,000
Transfer on expiry of warrants	-	-	(97,048)	97,048	-	-
Comprehensive loss for the period	-	-	-	-	(356,333)	(356,333)
Balance, November 30, 2023	417,287,014	43,972,961	371,992	6,410,157	(25,085,530)	25,669,580
Comprehensive loss for the period	-	-	-	-	(118,626)	(118,626)
Balance, May 31, 2024	417,287,014	43,972,961	371,992	6,410,157	(25,204,156)	25,550,954

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

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations

Search Minerals Inc. (the "Company") was incorporated under the provisions of the Business Corporation Act (British Columbia) on June 7, 2006. The Company is in the business of mineral exploration involving acquiring, exploring and evaluating mineral resource properties. At May 31, 2024, the Company was in the exploration and evaluation stage and had properties located in Canada. The Company has completed a Preliminary Economic Assessment which was filed on www.sedarplus.ca on July 22, 2022. The Company's corporate head office is located at 1100 – 1199 West Hastings Street, Vancouver, British Columbia, Canada. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "SMY.V".

On April 8, 2024, the Company received a British Columbia Securities Commission ("BCSC") cease trade order ("CTO") for failure to file audited annual consolidated financial statements and MD&A for the years ended November 30, 2023 and 2022. The Company has also not filed its unaudited condensed interim consolidated financial statements and MD&As for the three, six and nine month periods ended February 29, 2024; May 31, 2024; and August 31, 2024, respectively. On November 20, 2024 the Company filed its annual audited consolidated financial statements and MD&A for the years ended November 30, 2023 and 2022. The Q1, Q2 and Q3 unaudited condensed interim consolidated financial statements and associated MD&As were filed on December 20, 2024. The CTO remains in effect until the BCSC reviews the filings and other required documentation and lifts the CTO.

The Company is currently exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The amounts shown as mineral properties represent costs incurred to date, less amounts recovered from third parties and/or written-down, and do not necessarily represent current or future fair values.

2. Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for 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. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values of assets.

At May 31, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of \$25,204,156 since inception and expects to incur further losses in the development of its business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. At May 31, 2024, the Company had a working capital deficiency of \$3,878,189. The above factors cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Subsequent to May 31, 2024, the Company has received unsecured, non-interest bearing due on demand loans (Note 14) as well as a \$1,000,000 convertible note (Note 14).

3. Basis of Presentation and Material Accounting Policies

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting.

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended November 30, 2023 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

These condensed interim consolidated financial statements were approved by the Board of Directors on December 20, 2024.

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

4. New and future accounting standards and pronouncements

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable and/or are not expected to have a significant impact on the Company's financial statements. Certain accounting standards or amendments to existing accounting standards that have been adopted did not have a significant impact on the Company's financial statements.

5. Critical Accounting Estimates and Judgements

There have been no material revisions to the nature of judgements and amount of changes in estimates reported in the company's November 30, 2023 annual financial statements.

6. Property and Equipment

	Vehicles \$	Buildings \$	Office furniture and equipment \$	Field equipment \$	Total \$
At November 30, 2022					
Cost	482,374	457,912	73,194	387,248	1,400,728
Accumulated amortization	(186,329)	(111,076)	(55,256)	(244,246)	(596,907)
Net book value	296,045	346,836	17,938	143,002	803,821
Year ended November 30, 2023					
Additions	-	-	-	-	-
Disposals – Cost	(174,177)	-	-	-	(174,177)
Disposals – Accumulated amortization	44,450	-	-	-	44,450
Amortization	(75,215)	(69,368)	(9,046)	(57,200)	(210,829)
At November 30, 2023	91,103	277,468	8,892	85,802	463,265
At November 30, 2023					
Cost	308,197	457,912	73,194	387,248	1,226,551
Accumulated amortization	(217,094)	(180,444)	(64,302)	(301,446)	(763,286)
Net book value	91,103	277,468	8,892	85,802	463,265
Period ended May 31, 2024					
Additions	-	-	-	-	-
Amortization	(13,666)	(27,748)	(2,113)	(17,161)	(60,688)
At May 31, 2024	77,437	249,720	6,779	68,641	402,577
At May 31, 2024					
Cost	308,197	457,912	73,194	387,248	1,226,551
Accumulated amortization	(230,760)	(208,192)	(66,415)	(318,607)	(823,974)
Net book value	77,437	249,720	6,779	68,641	402,577

7. Mineral Properties – Schedule 1

Although the Company has taken steps to verify title to mineral properties 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 a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

The Company acquired the mineral properties primarily by staking the claims. In order to maintain title to the claims, the Company must incur minimum exploration expenditures per claim as specified by the Mineral Act of the Province of Newfoundland and Labrador. In lieu of incurring the minimum expenditures, the Company may make security deposits with the Government of Newfoundland and Labrador. Other commitments relating to mineral properties are as follows:

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

Critical Rare Earth Element ("CREE") District, Labrador

The Company acquired the CREE District primarily by staking the claims. In addition, the Company acquired the B&A Claims, the Quinlan Property and the Two Tom Property.

B&A Claims

On December 10, 2009, the Company entered into a binding letter of intent (the "LOI") with B&A Minerals Limited ("B&A"), further defined in a Mining Option Agreement, for an option to acquire an undivided 100% interest in and to certain claims in southeast Labrador owned by B&A ("B&A Claims"). The B&A claims host the Company's Foxtrot Project.

Under the terms of the Mining Option Agreement, to earn the undivided 100% interest in the B&A Claims, the Company paid B&A an aggregate of \$140,000 and issued an aggregate 1,100,000 common shares of the Company. The final payment and share issuance was made in January 2013. The Company now owns a 100% interest in the property.

The Mining Option Agreement was subject to a 3% net smelter return ("NSR") royalty in favor of B&A, of which the Company could purchase 2% at any time for \$2,000,000 (see B&A Transaction).

B&A Transaction

B&A Minerals Limited held a 3% NSR royalty over the licenses contained in a large portion of the Company's Critical Rare Earth Element District in SE Labrador. On August 11, 2021, the Company entered into a non-binding letter of intent ("LOI") to purchase a 2.5% NSR from B&A for 15,000,000 common shares. Additionally, the Company will acquire 3 full licenses from B&A and partial interest in two licenses. The Company will transfer one license to B&A and retain a 0.5% NSR. The Company will grant a 0.5% NSR over the five licenses above. The Company will grant B&A quarry/gem rights over four of the licenses to be transferred to the Company as part of the transaction in exchange for a 3% NSR to Search over any production from such quarry/gem rights. On September 30, 2021, a definitive agreement was entered into and on October 13, 2021, the TSX-V provided approval of the acquisition. The B&A transaction closed on November 30, 2021 with the issuance of 15,000,000 common shares at the fair value of \$3,000,000. The 15,000,000 common shares are restricted and will be released over 24 months, with 25% being released every 6 months following the closing of the transaction.

B&A Minerals now holds a 0.5% NSR royalty in certain licenses contained in the Company's CREE District.

Quinlan Property

On January 13, 2011, the Company entered into a binding letter of intent (the "LOI") with Andrew Quinlan, Roland Quinlan and Tony Quinlan (the "Vendors"). Pursuant to the LOI, the Company had the option to earn an undivided 100% interest in and to certain claims owned by the Vendors known as the Fox Harbour Claims (the "Quinlan Property"). The Quinlan Property is comprised of three licenses totaling 48 claims located east of St. Lewis, Labrador. The Quinlan Property hosts the Company's Deep Fox Project.

Under the terms of the LOI, the Company earned an undivided 100% interest in Quinlan Property by making aggregate cash payments of \$90,000 and issuing an aggregate of 300,000 common shares of the Company.

The Vendors were granted a 1.5% net smelter return royalty ("NSR"). The Company may, at any time, purchase 1% of the net smelter return royalty for \$1,000,000. The Company must make annual cash advance payments of \$10,000 for the Quinlan Property to the Vendors commencing February 23, 2016 and continuing each year thereafter until commencement of commercial production, deductible against the NSR. During the year ended November 30, 2023, the Company paid the eighth \$10,000 annual cash payment.

Red Wine Property, Labrador

On June 28, 2015, the Company purchased from Great Western Minerals Group Ltd. ("GWMG") its interest in the Red Wine Property for \$20,000. GWMG had acquired its approximate 50% interest in the Red Wine Property pursuant to an option agreement between the Company and GWMG dated July 23, 2010. Following the acquisition, the Company now owns 100% of the Red Wine Property.

Option Agreement - Two Tom Property

On June 14, 2021, the Company entered into an option agreement (the "Option Agreement") with United Gold Inc, Aubrey Budgell and Donna Lewis (the "Vendors") for an option to acquire an undivided 100% interest in and to certain claims known as the Two Tom Property (the "Two Tom Property"). The Two Tom Property is part of the Red Wine district.

The Two Tom Property consists of two licenses (027378M and 016522M) totaling 16 claims.

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

Under the terms of the Option Agreement, the Company may earn the undivided 100% interest in the Two Tom Property by making aggregate cash payments of \$200,000 and by issuing an aggregate of 1,600,000 common shares of the Company over a period of three years as follows:

- pay \$40,000 (paid) and issue 400,000 common shares on the acquisition date (issued at the fair value of \$84,000);
- pay \$50,000 (paid) and issue 400,000 common shares on or before July 2, 2022 (issued at the fair value of \$48,000);
- pay \$50,000 (paid) and issue 400,000 common shares on or before July 2, 2023 (issued at the fair value of \$12,000); and,
- pay \$60,000 and issue 400,000 common shares on or before July 2, 2024. In August 2024, the Company and the Vendors entered into an amending agreement extending the due date. On October 10, 2024 the Company issued the 400,000 common shares and on November 5, 2024, the Company made the \$60,000 cash payment.

The Vendors were granted a 3.0% net smelter return royalty. The Company may, at any time, purchase 2.0% of the net smelter return royalty for \$2,000,000.

Letter Agreement – Mann Property and Two Tom Property claim

On June 15, 2021, the Company entered into a binding letter agreement (the “Letter Agreement”) with Roland Quinlan and Eddie Quinlan (the “Vendors”) for an option to acquire an undivided 100% interest in and to certain claims known as the Mann#1 claims (the “Mann Property”) and another claim proximal to Two Tom Property. The Mann Property claims are part of the Red Wine district.

The Mann Property consists of two licenses, 027380M (4 claims) and the Two Tom Property consists of license 027384M (16 claims).

Under the terms of the Letter Agreement, the Company may earn the undivided 100% interest in the claims by making aggregate cash payments of \$200,000 and by issuing an aggregate of 1,600,000 common shares of the Company over a period of four years as follows:

- pay \$20,000 (paid) and issue 400,000 common shares on the acquisition date (issued at the fair value of \$84,000);
- pay \$30,000 (paid) and issue 400,000 common shares on or before July 2, 2022 (issued at the fair value of \$48,000);
- pay \$60,000 (paid) and issue 400,000 common shares on or before July 2, 2023 (issued at the fair value of \$12,000);
- pay \$60,000 and issue 300,000 common shares on or before July 2, 2024. In August 2024, the Company and the Vendors agreed to amend and reschedule the cash payment and share issuance to a future date. On October 10, 2024 the Company issued the 300,000 common shares and the \$60,000 cash payment remains outstanding; and,
- pay \$30,000 and issue 100,000 common shares on or before July 2, 2025.

The Vendors were granted a 3.0% net smelter return royalty. The Company may, at any time, purchase 2.5% of the net smelter return royalty for \$2,000,000. The Company must make annual cash advance payments of \$10,000 for the Mann Property to the Vendors commencing June 15, 2026 and continuing each year thereafter until commencement of commercial production, deductible against the NSR.

Impairment of Mineral Properties

As at May 31, 2024, the Company determined that there were no impairment indicators for the claims located in the CREE District. Although the Company has a significant working capital deficiency, no key licenses have expired and the Company expects to renew all licenses. Substantive work is planned subject to completion of financings.

NunatuKavut Community Council

On August 27, 2012, as amended on November 13, 2014, the Company entered into a Mining Exploration Activities Agreement with the NunatuKavut Community Council (the “NunatuKavut”), the political representative body of the Inuit of South-Central Labrador. The agreement solidifies a relationship that has evolved through the Company's activity in and around NunatuKavut communities on the south coast. The agreement sets out a respectful way forward, meeting the interests of and ensuring mutual benefit for both parties. Key elements in the agreement address environmental protocols and safeguards for matters of historic values. The agreement also sets out hiring and business opportunities for NunatuKavut members and communities as well as certain financial considerations.

Government Assistance

The Company has received funding from the Atlantic Canada Opportunities Agency during the year ended November 30, 2023 and prior years. Of the amounts received, \$905,308 was a repayable grant. The terms of the repayment are on project success, with annual payments over time after project success is reached.

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

8. Payables

	May 31, 2024 \$	November 30, 2023 \$
Trade payables	2,975,300	2,941,095
Due to related parties (Note 12)	499,942	474,413
Total payables	3,475,242	3,415,508

9. Demand Loans

During the year ended November 30, 2023, the Company received non-interest bearing, due on demand loans from a company that had common former directors (\$265,250), and a former director (\$930).

During the six months ended May 31, 2024, the Company received non-interest bearing, due on demand loans from a company that had common former directors (\$138,804), and a former director (\$38,305).

As at May 31, 2024, the total demand loans outstanding were \$443,289 (November 30, 2023: \$266,180). Subsequent to May 31, 2024, the Company received additional demand loans (Note 14).

10. CEBA Loan

During the year ended November 30, 2020, the Company obtained an unsecured line of credit as part of the Government of Canada's economic response plan to the COVID-19 pandemic (the Canada Emergency Business Account) ("CEBA loan"). The Company borrowed \$120,000 from the CEBA loan as at May 31, 2024 (November 30, 2023: \$120,000). The CEBA loan was interest free and was eligible for \$40,000 of forgiveness if \$80,000 was fully repaid by January 18, 2024. As the CEBA loan was not repaid in full by the maturity date, the CEBA loan was converted into a loan at a fixed interest rate of 5% per annum with a maturity date of December 31, 2026.

11. Share Capital**a. Common shares authorized**

Unlimited number of common shares.

b. Financings

During the six months ended May 31, 2024, the Company did not complete any financing transactions.

During the six months ended May 31, 2023, the Company did not complete any financing transactions.

c. Stock option plan

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company.

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

Changes in share purchase options during the six months ended May 31, 2024 and the year ended November 30, 2023 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, November 30, 2022	39,530,000	\$0.14	2.98
Granted	2,000,000	\$0.05	
Exercised	(2,000,000)	\$0.08	
Expired	(5,250,000)	\$0.08	
Forfeited	(18,500,000)	\$0.15	
Outstanding, November 30, 2023	15,780,000	\$0.15	2.58
Forfeited	(8,050,000)	\$0.15	
Outstanding and exercisable, May 31, 2024	7,730,000	\$0.15	2.07

During the six months ended May 31, 2023, the weighted average share price on the date of option exercise was \$0.08.

During the six months ended May 31, 2024, the Company recorded share-based payment expense of \$nil (2023: \$92,897). The weighted average fair value of share purchase options granted during the six months ended May 31, 2024 and 2023 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024	2023
Stock price	N/A	\$0.045
Exercise price	N/A	\$0.05
Risk-free interest rate	N/A	3.13%
Expected life	N/A	3.0 years
Expected volatility	N/A	85%
Expected dividends	N/A	Nil

At May 31, 2024, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
⁽¹⁾ 3,000,000	\$0.08	November 17, 2025
⁽¹⁾ 2,230,000	\$0.20	August 18, 2026
⁽¹⁾ 2,500,000	\$0.20	February 2, 2027
<u>7,730,000</u>		

⁽¹⁾ Subsequent to May 31, 2024, these options were forfeited.

d. Warrants

Changes in share purchase warrants during the six months ended May 31, 2024 and the year ended November 30, 2023 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Balance, November 30, 2022	52,217,337	\$0.09	2.19
Expired	(4,282,822)	\$0.14	
Balance, November 30, 2023	47,934,515	\$0.09	1.35
Expired	(9,206,890)	\$0.25	
Balance, May 31, 2024	38,727,625	\$0.05	1.39

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

At May 31, 2024, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
⁽¹⁾ 8,727,625	\$0.05	June 17, 2024
30,000,000	\$0.05	November 12, 2025
<u>38,727,625</u>		

⁽¹⁾ Subsequent to May 31, 2024, these warrants expired unexercised.

e. Basic and diluted loss per share

During the six months ended May 31, 2024, potentially dilutive common shares totaling 46,457,625 (2023: 79,205,503) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive. Potentially dilutive common shares are from exercisable share purchase options and share purchase warrants.

12. Related Party Transactions

During the three and six months ended May 31, 2024 and 2023, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	Three months ended May 31,		Six months ended May 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Administration and management fees	-	156,000	-	491,000
Consulting fees	-	6,250	-	25,000
Non-executive directors fees	-	32,000	-	60,000
Mineral property expenditures				
Geological consulting, salaries, wages and benefits	-	84,000	-	184,000
Metallurgical consulting	-	27,750	25,198	55,500
Share-based payments - options	-	9,681	-	69,120
	-	315,681	25,198	884,620

At May 31, 2024, due to related parties of \$499,942 (November 30, 2023: \$474,413) included amounts owing to former directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

Key management includes the former CEO, former COO, former VP of Metallurgy, former VP of Exploration and the former directors of the Company. The compensation paid or payable to key management for services during the three and six months ended May 31, 2024 and 2023 is as follows:

	Three months ended May 31,		Six months ended May 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Short-term benefits	-	306,000	25,198	815,500
Share-based payments - options	-	9,681	-	69,120
	-	315,681	25,198	884,620

Search Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2024

(Unaudited - Expressed in Canadian dollars)

The unsecured, non-interest bearing due on demand loans disclosed in Note 9 are related party transactions as they are with a private company with common former directors as well as with a former director.

13. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flows. During the six months ended May 31, 2024, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

- a) exploration expenditures of \$2,604,202 included in accounts payable and accrued liabilities at May 31, 2024, less expenditures included in accounts payable at November 30, 2023 of \$2,559,435 (net exclusion of \$44,767);

During the six months ended May 31, 2023, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

- a) exploration expenditures of \$2,448,501 included in accounts payable and accrued liabilities at May 31, 2023, less expenditures included in accounts payable at November 30, 2022 of \$1,798,886 (net exclusion of \$649,615);
- b) property and equipment expenditures of \$77,000 included in accounts payable and accrued liabilities at May 31, 2023, less expenditures included in accounts payable at November 30, 2022 of \$279,745 (net inclusion of \$202,745); and,
- c) sale of vehicles in exchange for accounts payable of \$182,945.

14. Subsequent Events

Forfeiture of Options

Subsequent to May 31, 2024, 7,730,000 share purchase options were forfeited.

Expiry of Warrants

Subsequent to May 31, 2024, 8,727,625 share purchase warrants expired unexercised.

Demand Loans

Subsequent to May 31, 2024, the Company received demand loans from a company that had common former directors and a former director of \$13,752. The demand loans are unsecured, non-interest bearing and due on demand.

Convertible Notes

Subsequent to May 31, 2024, the Company issued \$1,000,000 of convertible notes (the "Convertible Notes"). The Convertible Notes have a maturity of one year from the date of issuance and bear simple interest at a rate of 15% per annum. Following the full revocation of the BCSC cease trade order, the principal and interest under the Convertible Notes may be converted into common shares at the option of the noteholders. The conversion price of the principal will be \$0.05 per common share and the conversion price of interest will be as permitted by the policies of the TSX-V.

On October 7, 2024, the Company closed the first tranche of \$300,000 of Convertible Notes and on November 1, 2024 the Company closed the second tranche of \$700,000 of Convertible Notes.

Property Payments

Subsequent to May 31, 2024, the Company paid \$60,000 to the vendors of the Two Tom Property and issued 400,000 common shares. The Company also issued 300,000 common shares to the vendors of the Mann Property and Two Tom Property Claim (Note 7).

Search Minerals Inc.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES
For the six months ended May 31, 2024 and the year ended November 30, 2023
(Unaudited - Expressed in Canadian Dollars)

	Critical Rare Earth Element District, Labrador \$	Red Wine, Labrador \$	Total \$
Balance, November 30, 2022	26,772,129	351,700	27,123,829
Acquisition costs			
Cash	120,000	-	120,000
Shares	-	24,000	24,000
	120,000	24,000	144,000
Exploration costs			
Assays	739,614	-	739,614
Camp and rent	92,835	-	92,835
Drilling	80,802	-	80,802
Engineering and metallurgy	79,168	-	79,168
Geological consulting, salaries, wages and benefits (Note 12)	475,714	841	476,555
Government contributions	(111,406)	-	(111,406)
Helicopters	6,160	-	6,160
Metallurgical consulting (Note 12)	111,000	-	111,000
Other	97,786	12,946	110,732
Travel and accommodation	11,512	-	11,512
	1,583,185	13,787	1,596,972
Balance, November 30, 2023	28,475,314	389,487	28,864,801
Exploration costs			
Camp and rent	16,562	-	16,562
Engineering and metallurgy	6,931	-	6,931
Metallurgical consulting (Note 12)	25,198	-	25,198
Other	383	-	383
	49,074	-	49,074
Balance, May 31, 2024	28,524,388	389,487	28,913,875