



**Condensed Interim Financial Statements**  
(Unaudited)  
(Expressed in Canadian Dollars)

**For the nine months ended September 30, 2024**

*Suite 1100 - 1111 Melville Street  
Vancouver, BC V6E 3V6  
Tel: (604) 688-3415*



**Financial Statements**  
**September 30, 2024**  
**(Canadian Funds)**

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

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Financial Position**  
*(Expressed in Canadian Dollars)*

	Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 247,555	\$ 435,057
Receivables	5	6,707	24,275
Prepaid expenses		4,628	3,779
		<u>258,890</u>	<u>463,111</u>
<b>Non-current</b>			
Deposits	6	55,891	55,891
Mineral properties	7	3,698,162	3,741,867
Right of use asset	8	-	25,970
		<u>3,754,053</u>	<u>3,823,728</u>
		<u>\$ 4,012,943</u>	<u>\$ 4,286,839</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	\$ 87,059	\$ 63,452
Lease liability	8	-	27,788
		<u>87,059</u>	<u>91,240</u>
<b>EQUITY</b>			
Share capital	11	22,321,508	22,321,508
Share-based compensation reserve	11(c)	356,207	356,207
Deficit		(18,751,831)	(18,482,116)
		<u>3,925,884</u>	<u>4,195,599</u>
		<u>\$ 4,012,943</u>	<u>\$ 4,286,839</u>

Nature and continuance of operations (*Note 1*)

Approved and authorized by the Board on November 26, 2024.

On behalf of the Board: “James Tuer”  
James Tuer

“John Sheedy”  
John Sheedy

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
<b>Expenses</b>					
Accounting and audit fees	10	\$ 11,500	\$ 17,500	\$ 50,079	\$ 62,192
Administration fees	10	10,500	10,500	31,500	31,500
Depreciation	8	6,412	9,778	25,970	29,336
Filing fees		-	529	8,947	5,092
Financing costs	8	89	1,106	1,052	4,028
Legal fees		655	226	1,637	1,531
Management fees	10	37,500	37,500	112,500	112,500
Marketing		4,680	9,017	14,770	22,094
Office and printing		3,201	5,505	10,172	17,977
Travel		-	1,029	2,976	3,634
Rent		2,855	(1,250)	1,669	(1,250)
Share-based compensation	10,11(c)	-	-	-	72,625
Transfer agent fees		5,509	4,715	8,443	7,352
		<u>(82,901)</u>	<u>(96,155)</u>	<u>(269,715)</u>	<u>(368,611)</u>
<b>Other items</b>					
Mineral property write-off	7(a)	-	(109,587)	-	(109,587)
		<u>-</u>	<u>(109,587)</u>	<u>-</u>	<u>(109,587)</u>
<b>Net loss and comprehensive loss</b>		<u>\$ (82,901)</u>	<u>\$ (205,742)</u>	<u>\$ (269,715)</u>	<u>\$ (478,198)</u>
<b>Basic and diluted loss per share</b>		<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>		<u>82,935,531</u>	<u>82,935,531</u>	<u>82,935,531</u>	<u>82,935,531</u>

See accompanying notes to the condensed interim financial statements

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited)  
(Expressed in Canadian Dollars)

	For the nine months ended September 30,	
	2024	2023
<b>Cash used for:</b>		
<b>Operating activities</b>		
Net loss	\$ (269,715)	\$ (478,198)
Items not involving cash:		
Depreciation	25,970	29,336
Finance costs	1,052	4,028
Share-based compensation	-	72,625
Mineral property write-off	-	109,587
Changes in non-cash working capital items:		
Receivables	17,568	29,786
Prepaid expenses	(849)	885
Accounts payable and accrued liabilities	28,772	(20,046)
Cash used in operating activities	<u>(197,202)</u>	<u>(251,997)</u>
<b>Investing activities</b>		
Recoveries on mineral properties	-	141,314
Government exploration tax credit	76,951	286,289
Acquisition and exploration costs related to mineral properties	(38,411)	(409,749)
Deposits	-	(38,400)
Cash used in investing activities	<u>38,540</u>	<u>(20,546)</u>
<b>Financing activities</b>		
Lease payments	(28,840)	(32,445)
Cash used in financing activities	<u>(28,840)</u>	<u>(32,445)</u>
<b>Net decrease in cash</b>	(187,502)	(304,988)
<b>Cash - beginning of the period</b>	435,057	894,607
<b>Cash - end of the period</b>	<u>\$ 247,555</u>	<u>\$ 589,619</u>
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

Supplemental Disclosure with Respect to Cash Flows (Note 12)

**FJORDLAND EXPLORATION INC.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
*(Expressed in Canadian Dollars)*

	Note	Number of shares	Share capital	Share-based compensation reserve	Deficit	Total equity
<b>Balance as at December 31, 2022 (Audited)</b>		82,935,531	\$ 22,321,508	\$ 639,773	\$ (18,248,683)	\$ 4,712,598
Share-based payments	11(c)	-	-	72,625	-	72,625
Reserves transferred on options expired	11(c)	-	-	(314,041)	314,041	-
Net loss and comprehensive loss		-	-	-	(478,198)	(478,198)
<b>Balance as at September 30, 2023 (Unaudited)</b>		82,935,531	22,321,508	398,357	(18,412,840)	4,307,025
Reserves transferred on options expired	11(c)	-	-	(42,150)	42,150	-
Net loss and comprehensive loss		-	-	-	(111,426)	(111,426)
<b>Balance as at December 31, 2023 (Audited)</b>		82,935,531	22,321,508	356,207	(18,482,116)	4,195,599
Net loss and comprehensive loss		-	-	-	(269,715)	(269,715)
<b>Balance as at September 30, 2024 (Unaudited)</b>		<b>82,935,531</b>	<b>\$ 22,321,508</b>	<b>\$ 356,207</b>	<b>\$ (18,751,831)</b>	<b>\$ 3,925,884</b>

See accompanying notes to the condensed interim financial statements

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Fjordland Exploration Inc. (the “Company” or “Fjordland”) was incorporated on September 19, 1996 pursuant to the *Company Act* (British Columbia) and the common shares were listed for trading on the TSX Venture Exchange (“Exchange”). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company’s head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. As at September 30, 2024, the Company has a deficit of \$18,751,831 (December 31, 2023 - \$18,482,116) and has incurred a loss of \$269,715 for the nine-month period ended September 30, 2024. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**Basis of preparation**

These condensed interim financial statements have been prepared on a historical cost basis, which are stated at fair value through other comprehensive income (loss). In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.



**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**  
*(Unaudited)*  
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**3. MATERIAL ACCOUNTING POLICIES**

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2023.

These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2023. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2024.

**4. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company's financial instruments consist of cash, receivables, deposits, accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying value, unless otherwise noted. Cash is measured at fair value using level 1 inputs.

**Credit Risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is held in major Canadian financial institutions. The Company's receivables consist of GST receivable and a tax credit receivable that are due from government agencies. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

**Interest Rate Risk**

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

**Liquidity Risk**

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

**Foreign Exchange Risk**

The Company is not exposed to significant foreign exchange risk as it operates in Canada and does not undertake any significant foreign currency transactions.

**Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**  
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**4. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)**

**Capital Management (Continued)**

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on demand deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed capital restrictions.

**5. RECEIVABLES**

The Company's receivables are as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
GST receivable	\$ 6,657	\$ 24,225
Other receivable	50	50
	<u>\$ 6,707</u>	<u>\$ 24,275</u>

**6. DEPOSITS**

The Company's deposits are as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Office lease deposit	\$ 7,210	\$ 7,210
Exploration deposits	48,681	48,681
	<u>\$ 55,891</u>	<u>\$ 55,891</u>

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**

(Unaudited)  
(Expressed in Canadian Dollars)

**7. MINERAL PROPERTIES**

A summary of mineral property expenditures is as follows:

	South Voisey's Bay Labrador	South Voisey's Bay Vulcan	Renzy Quebec	Milligan West British Columbia	Witch British Columbia	Manat-nipi (formerly Kegashka) Quebec	Total
<b>Balance as at December 31, 2022 (Audited)</b>	\$ 1,672,105	\$ 109,587	\$ 2,077,482	\$ 37,359	\$ 92,744	\$ -	\$ 3,989,277
Government exploration tax credit	(68,175)	-	(218,114)	-	-	-	(286,289)
Acquisition costs	-	-	-	-	-	31,278	31,278
Aircraft Charter	-	-	-	-	-	62,273	62,273
Assays	1,606	-	17,761	-	-	2,789	22,156
Drilling	-	-	5,499	-	-	-	5,499
Field materials and supplies	27	-	326	-	-	1,665	2,018
Freight and courier	75	-	313	-	-	624	1,012
Fuel and transportation	-	-	216	-	-	-	216
Geophysics	3,000	-	-	91	-	-	3,091
Geology	6,583	-	48,314	-	1,925	35,989	92,811
Insurance	-	-	630	-	-	-	630
Labour	-	-	-	943	-	1,485	2,428
License and permits	15,042	-	5,347	-	618	22,194	43,201
Project supervision charges	-	-	134	9	-	351	494
Storage	-	-	1,776	-	-	-	1,776
Travel, meals, accommodation	-	-	1,350	-	-	19,547	20,897
Mineral property write-off	-	(109,587)	-	-	-	-	(109,587)
Cost recoveries	(141,314)	-	-	-	-	-	(141,314)
<b>Balance as at December 31, 2023 (Audited)</b>	1,488,949	-	1,941,034	38,402	95,287	178,195	3,741,867
Government exploration tax credit	(7,350)	-	(69,601)	-	-	-	(76,951)
Assays	-	-	-	-	-	5,413	5,413
Geology	1,200	-	4,313	-	430	5,655	11,598
License and permits	1,844	-	13,361	-	370	-	15,575
Storage	-	-	660	-	-	-	660
<b>Balance as at September 30, 2024 (Unaudited)</b>	\$ 1,484,643	\$ -	\$ 1,889,767	\$ 38,402	\$ 96,087	\$ 189,263	\$ 3,698,162

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**7. MINERAL PROPERTIES (continued)**

**(a) South Voisey's Bay, Labrador**

In November, 2021, the Company earned into 75% of the South Voisey's Bay nickel project in Labrador under its Memorandum of Understanding ("MOU") and a subsequent Letter of Intent ("LOI") with Commander Resources Ltd. ("Commander"). As described below, Fjordland can earn a 100% interest in the project and also had an agreement with Ivanhoe Electric BC Holdings (formerly HPX BC Holdings Inc.), a subsidiary of Ivanhoe Electric Inc. (together "Ivanhoe") whereby Ivanhoe could have earned a 65% interest by completing certain cash and exploration requirements.

On April 17, 2023, the Company received notice from Ivanhoe to terminate the SVB Option Agreement.

**Commander Agreement**

The Company entered into a Memorandum of Understanding ("MOU") with Commander in September 2014 as amended November 2014, whereby the Company was granted an option to earn a 75% undivided interest in the South Voisey's Bay property.

The Company has earned a 15% interest in the property by having expended \$350,000 in exploration costs prior to the option agreement expiration on August 15, 2015.

The Company, in June 2017, entered into a Letter of Intent ("LOI") with Commander whereby the Company was granted a series of options (the "SVB Option Agreements") to earn an additional 85% undivided interest in the South Voisey's Bay property by incurring the following cash, exploration expenditures and share issuance:

- i) 20% interest - 200,000 common shares (issued) and \$600,000 (incurred) in exploration expenditures on or before October 31, 2017
- ii) 40% interest - \$10,000 (paid) and 250,000 common shares (issued at a value of \$47,500) on or before July 26, 2018;  
\$15,000 (paid) and 300,000 common shares (issued at a value of \$21,000) on or before July 26, 2019;  
\$25,000 (paid) and 350,000 common shares (issued at a value of \$24,500) on or before July 26, 2020;  
\$40,000 (paid), 400,000 common shares (issued at a value of \$44,000) and \$2,400,000 in exploration expenditures on or before October 31, 2021 (incurred).
- iii) 25% interest - \$200,000, 3,000,000 common shares and \$5,000,000 in exploration expenditures on or before October 31, 2024.

Under the SVB Option Agreements, a 2% net smelter returns royalty ("NSR") will be granted to Commander upon exercising the final payment and 1% of the NSR may be repurchased by the Company for consideration of \$5,000,000. Upon commencement of commercial production, an advanced royalty payment will also be payable to Commander in the amount of \$10,000,000.

As at September 30, 2024, the Company had earned an aggregate 75% interest in the property. Subsequent to the end of the period, the option to earn an additional 25% interest in the project lapsed and the Company and Commander are therefor in a Joint Venture Agreement based on a 75% and 25% interest, respectively.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**

*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**7. MINERAL PROPERTIES (continued)**

**(a) South Voisey's Bay, Labrador (continued)**

**Ivanhoe Agreement**

On September 5, 2017, the Company entered into an agreement with Ivanhoe to fund the Company's commitments under the SVB Option Agreements in return for up to a 65% interest in the project. Under the terms of the agreement, Ivanhoe's subsidiary subscribed by means of a private placement and was issued 14,000,000 units (each unit consisting of one common share and one-half of a warrant) of the Company for proceeds of \$1,400,000. In addition, Ivanhoe was given the option to incur, on behalf of the Company, the balance of the \$8,000,000 commitment, being \$7,400,000 in exploration expenditures under the SVB Option Agreements by October 31, 2024 (\$3,000,000 incurred prior to the termination (see below)) and to make the \$290,000 in property payments (\$90,000 received prior to the termination) as described above. If the cash funding was completed by Ivanhoe on the Company's behalf and the equity issuances were made by the Company under the SVB Option Agreements, the Company would have acquired a 100% interest in the South Voisey's Bay project, and would then assign a 65% project interest to Ivanhoe.

Ivanhoe had the right to nominate two directors if they maintained equity ownership in the Company of between 10-50%, and three directors if greater than 50%.

Ivanhoe also maintained an anti-dilution right, such that they had the right to participate in future financings to maintain their ownership percentage in the Company.

On April 17, 2023, the Company received notice from Ivanhoe to terminate the SVB Option Agreement. At that time, Mark Gibson, Ivanhoe's Chief Operating Officer, resigned from the Company's Board of Directors pursuant to the termination of the SVB Option Agreement.

**Vulcan Agreement**

On September 23, 2021, the Company entered into an agreement with Vulcan Minerals Inc. ("Vulcan") to acquire a 100% working interest in certain mineral claims located in the South Voisey's Bay area. Under the terms of the agreement, the Company had the option to earn, over a three-year period, its interest by incurring the following cash, share issuance and exploration expenditures:

- i) On signing - \$25,000 (paid) and 600,000 common shares (issued at a value of \$54,000).
- ii) \$10,000 (paid) and 250,000 common shares (issued at a value of \$7,500) on or before October 31, 2022.
- iii) \$10,000 and 250,000 common shares on or before October 31, 2023.
- iv) \$25,000, 250,000 common shares and \$250,000 in exploration expenditures on or before October 31, 2024.

Vulcan reserved a 2% NSR royalty on the claims subject to the Company's ability to buy back 50% of the NSR for \$2,000,000. On October 30, 2023, the Company terminated this option agreement and did not make the October 31, 2023 payments, resulting in the Company writing off \$109,587 during the year ended December 31, 2023.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**  
*(Unaudited)*  
*(Expressed in Canadian Dollars)*

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**7. MINERAL PROPERTIES (continued)**

**(b) Renzy, Quebec**

On December 7, 2020, the Company entered into an option agreement with Quebec Precious Metals Corporation (“QPM”) whereby the Company may acquire a 100% interest in certain mineral claims known as the Vulcain claims in Hainaut Township, Quebec. Under the terms of the agreement, the Company can earn its interest by paying \$50,000 (paid), issuing 1,000,000 common shares (issued at a value of \$100,000) and incurring exploration expenditures of \$1,000,000 during the five-year option term. The Company now owns 100% of the Vulcain project.

QPM will retain a 1% NSR of which the Company may repurchase 0.5% of the NSR for consideration of \$500,000 and the remaining 0.5% for \$2,500,000. A pre-existing 1% NSR is payable to Jacques Duval and 1% NSR payable to Andre Gauthier of which the Company may repurchase 0.5% for the sum of \$250,000; and the remaining 0.5% for the sum of \$250,000, to each of Gauthier and Duval.

In November 2020, the Company staked additional claims contiguous with the Vulcain claims. In accordance with the option agreement, any property staked within the area of interest will be deemed for all purposes to be part of and comprised in the property.

**(c) Milligan West, British Columbia**

In February 2013, the Company and Northwest Copper Corp. (“NWST”) (formerly Serengeti Resources Inc.) consolidated certain claims located in north central British Columbia into the Milligan West project. Initially ownership was shared equally however, as a result of the Company electing not to participate in the 2019 exploration program its interest has been diluted to 42.3%. Effective 2021, the Company elected to contribute its pro-rata share to retain its interest at 42.3%. As of September 30, 2024, the Company had no amount owing to NWST (December 31, 2023 - \$nil).

**(d) Witch Project, British Columbia**

On February 8, 2022, the Company acquired a 100% interest in the Witch copper-gold porphyry project located in the Quesnel Trough of central British Columbia.

The Company acquired the core claims from Equity Exploration Consultants Ltd. (“Equity”) for 100,000 common shares (issued at a value of \$8,500). The Equity claims are subject to a 1% NSR subject to a one-time reduction of either 0.5% upon the payment by the Company of \$4,000,000 or 0.25% upon the payment of \$1,500,000. In February 2022, the Company started additional claims contiguous with the Equity claims.

As of September 30, 2024, the Company had a refundable environmental bond of \$38,400 (December 31, 2023 - \$38,400) recorded in Deposits in relation to the Equity claims.

**(e) Manat-nipi Lithium Project (formerly Kegashka Project), Quebec**

On May 25, 2023, the Company acquired by staking the Manat-Nipi Project (formerly Kegashka Project) located 40 kilometers north-east of Natashquan on Quebec’s North Shore. As of September 30, 2024, the Company had capitalized \$189,263 (December 31, 2023 - \$178,195) in acquisition and exploration cost related to this lithium project.

**FJORDLAND EXPLORATION INC.**  
**Notes to Condensed Interim Financial Statements**  
**For the nine months ended September 30, 2024**

(Unaudited)  
(Expressed in Canadian Dollars)

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**8. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

Under IFRS 16 – *Leases*, the Company assesses whether a contract is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and lease liability at the commencement date.

The Company identified a single contract that is a lease as defined under IFRS 16. In analyzing the identified agreements in relation to its head office space in Vancouver, BC, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract (but not future events that are not likely to occur). Lease liabilities were calculated with a discount rate of 10%.

The Company terminated the original office lease on August 31, 2022, and entered into a new office lease agreement commencing September 1, 2022 and terminating on August 31, 2024. Effective September 1, 2024, the Company recorded the rent payment as operating expense.

A reconciliation of the carrying amount of the lease liability is as follows:

<b>Lease liability</b>		
<b>Balance, December 31, 2022</b>	\$	66,159
Lease payments		(43,260)
Lease interest (finance costs)		4,889
<b>Balance, December 31, 2023</b>		27,788
Lease payments		(28,840)
Lease interest (finance costs)		1,052
<b>Balance, September 30, 2024</b>	\$	-
<b>Right-of-use asset</b>		
<b>Balance, December 31, 2022</b>	\$	65,085
Depreciation		(39,115)
<b>Balance, December 31, 2023</b>		25,970
Depreciation		(25,970)
<b>Balance, September 30, 2024</b>	\$	-

**FJORDLAND EXPLORATION INC.**  
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*(Expressed in Canadian Dollars)*

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade payables	\$ 87,059	\$ 36,452
Accruals	-	27,000
	<u>\$ 87,059</u>	<u>\$ 63,452</u>

**10. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including share-based compensation, of key management personnel during the nine months ended September 30, 2024 and 2023 were as follows:

	<b>Nine months ended</b>	
	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Administration fees	\$ 31,500	\$ 31,500
Accounting fees	41,500	45,000
Management fees	112,500	112,500
	<u>\$ 185,500</u>	<u>\$ 189,000</u>

During the period ended September 30, 2024, the Company paid rent of \$30,509 (2023 – rent of \$31,195 and shared costs of \$980) to a publicly listed company with an officer in common.

Amounts in accounts payable:	Services for:	As at September 30, 2024	As at December 31, 2023
A private company controlled by the Chief Executive Officer	Management fees and expense reimbursement	\$ 53,869	\$ 13,322
A private company controlled by the Chief Financial Officer	Accounting and management fees	2,100	5,250
A private company controlled by the Corporate Secretary	Administration fees	14,700	3,675
<b>Total</b>		<u>\$ 70,669</u>	<u>\$ 22,247</u>



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**11. SHARE CAPITAL**

**(a) Authorized**

As at September 30, 2024 the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

**(b) Issued Share Capital**

The Company did not issue any common shares during the nine months ended September 30, 2024 and the year ended December 31, 2023.

**(c) Stock Options**

In June 2022, the Company received shareholder approval for a new omnibus share incentive plan. Stock options are granted to directors, officers and consultants. The vesting period for stock options is at the discretion of the Board of Directors. The exercise price is set by the Board of Directors at the time of grant and shall not be set at less than the market value on the date of grant, less any discount permitted by the Exchange.

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

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2023</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired / forfeited</b>	<b>September 30, 2024</b>
June 5, 2025	0.07	1,375,000	-	-	-	1,375,000
August 5, 2025	0.07	500,000	-	-	-	500,000
January 12, 2026	0.105	75,000	-	-	-	75,000
April 22, 2026	0.125	1,025,000	-	-	-	1,025,000
August 26, 2026	0.125	900,000	-	-	-	900,000
January 25, 2027	0.10	100,000	-	-	-	100,000
April 27, 2028	0.06	2,075,000	-	-	-	2,075,000
Options outstanding		6,050,000	-	-	-	6,050,000
Options exercisable		6,000,000	-	-	-	6,050,000
Weighted average exercise price (\$)		\$ 0.09	\$ -	\$ -	\$ -	\$ 0.09

As at September 30, 2024, the weighted average contractual remaining life of options is 2.05 years (December 31, 2023 – 2.80 years).

**FJORDLAND EXPLORATION INC.**  
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**11. SHARE CAPITAL** (continued)

**(c) Stock Options** (continued)

A continuity of stock options for the year ended December 31, 2023 is as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2022</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired / forfeited</b>	<b>December 31, 2023</b>
June 28, 2023	0.165	1,125,000	-	-	(1,125,000)	-
June 5, 2025	0.07	1,825,000	-	-	(450,000)	1,375,000
August 5, 2025	0.07	500,000	-	-	-	500,000
January 12, 2026	0.105	300,000	-	-	(225,000)	75,000
April 22, 2026	0.125	1,150,000	-	-	(125,000)	1,025,000
June 1, 2026	0.125	100,000	-	-	(100,000)	-
August 26, 2026	0.125	1,025,000	-	-	(125,000)	900,000
January 25, 2027	0.10	100,000	-	-	-	100,000
April 27, 2028	0.06	-	2,075,000	-	-	2,075,000
<b>Options outstanding</b>		<b>6,125,000</b>	<b>2,075,000</b>	<b>-</b>	<b>(2,150,000)</b>	<b>6,050,000</b>
<b>Options exercisable</b>		<b>6,125,000</b>	<b>2,025,000</b>	<b>-</b>	<b>(2,150,000)</b>	<b>6,000,000</b>
<b>Weighted average exercise price (\$)</b>		<b>\$ 0.11</b>	<b>\$ 0.06</b>	<b>\$ -</b>	<b>\$ 0.13</b>	<b>\$ 0.09</b>

The following table summarizes the assumptions used in the Black-Scholes option-pricing model to estimate the fair value of the options:

	<b>2024</b>	<b>2023</b>
Risk-free interest rate	N/A	3.20%
Expected stock price volatility	N/A	143.90%
Expected option life in years	N/A	5 years
Expected dividend yield	N/A	Nil
Forfeiture rate	N/A	0.00%
Share price on grant date	N/A	\$0.04

**FJORDLAND EXPLORATION INC.**  
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**11. SHARE CAPITAL (continued)**

**(d) Warrants**

A continuity of warrants for the nine months ended September 30, 2024 is as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2023</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired</b>	<b>September 30, 2024</b>
August 12, 2024 <sup>(1)</sup>	0.12	12,500,000	-	-	(12,500,000)	-
Warrants outstanding		12,500,000	-	-	(12,500,000)	-
Weighted average exercise price (\$)		\$ 0.12	\$ -	\$ -	\$ 0.12	\$ -

As at September 30, 2024, the weighted average contractual remaining life of warrants is Nil year (December 31, 2023 – 0.62 year).

A continuity of warrants for the years ended December 31, 2023 is as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2022</b>	<b>Issued</b>	<b>Exercised</b>	<b>Expired</b>	<b>December 31, 2023</b>
August 12, 2024 <sup>(1)</sup>	0.12	12,585,500	-	-	(85,500)	12,500,000
Warrants outstanding		12,585,500	-	-	(85,500)	12,500,000
Weighted average exercise price (\$)		\$ 0.175	\$ -	\$ -	\$ 0.175	\$ 0.12

(1) On January 26, 2023, the Exchange approved the Company extending the expiry date of 12,500,000 share purchase warrants with an original expiry date of February 12, 2023, by 18 months, to August 12, 2024. Each warrant with an original exercise price of \$0.175 was repriced to \$0.12, entitles the holder thereof to acquire one common share of the Company at a price of \$0.12 per common share. The remaining 85,500 finder's warrants with the original expiry date of February 12, 2023 could not be amended under the Exchange policies and expired on February 12, 2023. On August 12, 2024, these 12,500,000 warrants expired.

**12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

The Company had non-cash transactions as follows:

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Significant non-cash investing and financing activities:		
Investing activities		
Mineral properties expenditures included in accounts payable and accrued liabilities and due to operating partner	\$ 5,395	\$ 5,950
Mineral properties recoveries included in accounts receivable	-	-
Financing activities		
Transfer to deficit on expiry of options	\$ -	\$ 314,041