
T2 METALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JANUARY 31, 2024

(Unaudited - Expressed in Canadian Dollars)

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

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

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

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

T2 METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	January 31, 2024 \$	April 30, 2023 \$
ASSETS			
Current assets			
Cash		483,295	1,463,855
GST receivable		34,392	12,875
Prepays		<u>33,158</u>	<u>39,780</u>
Total current assets		<u>550,845</u>	<u>1,516,510</u>
Non-current assets			
Exploration and evaluation assets	4	2,010,261	1,272,558
Property, plant and equipment	5	56,464	67,999
Bonds		<u>33,168</u>	<u>33,616</u>
Total non-current assets		<u>2,099,893</u>	<u>1,374,173</u>
TOTAL ASSETS		<u>2,650,738</u>	<u>2,890,683</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	479,644	378,246
Flow-through share premium liability	6	<u>-</u>	<u>121,782</u>
TOTAL LIABILITIES		<u>479,644</u>	<u>500,028</u>
SHAREHOLDERS' EQUITY			
Share capital	7	31,032,568	31,032,568
Share-based payments reserve		2,027,227	2,027,227
Deficit		<u>(30,888,701)</u>	<u>(30,669,140)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,171,094</u>	<u>2,390,655</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,650,738</u>	<u>2,890,683</u>

Nature of Operations and Going Concern - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on March 26, 2024 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
Director

/s/ Nick DeMare
Nick DeMare
Director

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

T2 METALS CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended January 31		Nine Months Ended January 31	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Accounting and administration	8(b)(ii)	5,100	14,600	27,000	35,450
Audit		-	-	16,100	13,000
Corporate development		7,480	33,693	44,786	109,087
Director and officer compensation	8	42,000	37,088	126,000	106,088
General exploration		5,836	22,392	20,849	34,235
Legal		269	6,548	3,741	27,792
Office		3,812	1,296	5,532	3,699
Professional fees		24,427	24,116	73,854	72,072
Regulatory fees		6,861	7,004	23,457	23,968
Share-based compensation	7(d)	-	-	-	67,900
Shareholder costs		4,095	2,970	6,060	6,581
Transfer agent		1,676	2,843	6,376	5,162
Travel		8,273	4,110	27,989	35,479
Website		447	1,120	1,115	1,770
		<u>110,276</u>	<u>157,780</u>	<u>382,859</u>	<u>542,283</u>
Loss before other items		<u>(110,276)</u>	<u>(157,780)</u>	<u>(382,859)</u>	<u>(542,283)</u>
Other items					
Interest income		7,611	18,189	40,314	39,795
Flow-through share premium recovery	6	21,909	900	121,782	900
Foreign exchange		<u>(1,255)</u>	<u>(6,422)</u>	<u>1,202</u>	<u>4,591</u>
		<u>28,265</u>	<u>12,667</u>	<u>163,298</u>	<u>45,286</u>
Net loss and comprehensive loss for the period		<u>(82,011)</u>	<u>(145,113)</u>	<u>(219,561)</u>	<u>(496,997)</u>
Basic and diluted loss per common share		<u>\$(0.00)</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.02)</u>
Basic and diluted weighted average number of common shares outstanding		<u>28,904,019</u>	<u>26,768,009</u>	<u>28,904,019</u>	<u>25,869,597</u>

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

T2 METALS CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended January 31, 2024				
	Common Shares		Share-Based Payments Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$	\$	\$	\$
Balance at April 30, 2023	28,904,019	31,032,568	2,027,227	(30,669,140)	2,390,655
Net loss for the period	-	-	-	(219,561)	(219,561)
Balance at January 31, 2024	<u>28,904,019</u>	<u>31,032,568</u>	<u>2,027,227</u>	<u>(30,888,701)</u>	<u>2,171,094</u>

	Nine Months Ended January 31, 2023				
	Common Shares		Share-Based Payments Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$	\$	\$	\$
Balance at April 30, 2022	24,001,541	29,951,417	1,936,409	(29,988,870)	1,898,956
Common shares issued for:					
- private placement	3,090,478	1,023,686	-	-	1,023,686
- property option	100,000	23,000	-	-	23,000
- warrants exercised	1,712,000	227,280	-	-	227,280
Share issue costs	-	(69,831)	-	-	(69,831)
Premium on flow-through shares	-	(127,447)	-	-	(127,447)
Share-based compensation:					
- share options	-	-	67,900	-	67,900
- finders' warrants	-	-	22,918	-	22,918
Net loss for the period	-	-	-	(496,997)	(496,997)
Balance at January 31, 2023	<u>28,904,019</u>	<u>31,028,105</u>	<u>2,027,227</u>	<u>(30,485,867)</u>	<u>2,569,465</u>

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

T2 METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended January 31,	
	2024 \$	2023 \$
Operating activities		
Net loss for the period	(219,561)	(496,997)
Adjustments for:		
Foreign exchange	448	13
Share-based compensation	-	67,900
Flow-through share premium	(121,782)	(900)
Changes in non-cash working capital items:		
GST receivable	(21,517)	1,129
Prepays	6,622	17,162
Accounts payable and accrued liabilities	104,944	45,090
Net cash used in operating activities	(250,846)	(366,603)
Investing activities		
Additions to property, plant and equipment	-	(76,273)
Exploration and evaluation assets expenditures	(729,714)	(557,459)
Additions to bonds	-	(28,552)
Net cash used in investing activities	(729,714)	(662,284)
Financing activities		
Issuance of common shares	-	1,250,966
Share issue costs	-	(46,913)
Net cash provided by financing activities	-	1,204,053
Net change in cash	(980,560)	175,166
Cash at beginning of period	1,463,855	1,782,915
Cash at end of period	483,295	1,958,081

Supplemental cash flow information - See Note 10

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

T2 METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JANUARY 31, 2024

(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

T2 Metals Corp. (the “Company”) is registered under the Business Corporations Act (British Columbia). The Company’s common shares are listed and trade on the TSX Venture Exchange (“TSXV”) under the symbol “TWO”, the OTCQB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the Symbol “WJ6”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Canada.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral Company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

To date the Company has not earned any revenues from its mineral interests and the Company’s operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. As at January 31, 2024, the Company had working capital of \$71,201. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. Additional capital may be sought from existing shareholders and from the sale of additional common shares or other equity or debt instruments. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the Company’s ability to continue as a going concern will be dependent upon the discovery of economically recoverable reserves and the achievement of profitable operations. Whether the Company can generate positive cash flow and, ultimately, achieve profitability is uncertain. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with IFRS. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s financial statements for the year ended April 30, 2023.

T2 METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2024***(Unaudited - Expressed in Canadian Dollars)***2. Basis of Preparation (continued)*****Basis of Measurement***

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Subsidiary

On November 10, 2020 the Company established a United States subsidiary, Aguila Gold Inc., (“Aguila USA”) in the state of Nevada to conduct the Company’s activities in the United States. As at January 31, 2024 Aguila USA remains the Company’s sole subsidiary.

4. Exploration and Evaluation Assets

	January 31, 2024			April 30, 2023		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
USA						
- Cora Copper Project	38,704	145,163	183,867	28,418	145,163	173,581
- Lida Copper Project	66,512	859,847	926,359	53,570	848,394	901,964
- Copper Eagle Project	2,327	13,736	16,063	-	-	-
Canada						
- Sherridon Project	38,000	845,972	883,972	38,000	159,013	197,013
	<u>145,543</u>	<u>1,864,718</u>	<u>2,010,261</u>	<u>119,988</u>	<u>1,152,570</u>	<u>1,272,558</u>

T2 METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JANUARY 31, 2024

(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

	USA			Canada	
	Cora Copper Project \$	Lida Copper Project \$	Copper Eagle Project \$	Sherridon Property \$	Total \$
Balance at April 30, 2022	<u>119,652</u>	<u>133,267</u>	<u>-</u>	<u>63,232</u>	<u>316,151</u>
Exploration costs					
Assays	-	10,298	-	1,979	12,277
Camp costs	-	1,937	-	-	1,937
Community agreement costs	-	-	-	15,566	15,566
Depreciation	-	4,137	-	4,137	8,274
Drilling	-	492,943	-	-	492,943
Field work	-	35,222	-	-	35,222
Geological	17,543	45,647	-	76,783	139,973
Geophysical	19,698	132,258	-	-	151,956
Supplies	235	5,509	-	-	5,744
Travel	<u>6,305</u>	<u>29,497</u>	<u>-</u>	<u>12,316</u>	<u>48,118</u>
	<u>43,781</u>	<u>757,448</u>	<u>-</u>	<u>110,781</u>	<u>912,010</u>
Acquisition costs					
Staking costs	10,148	11,249	-	-	21,397
Option payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,000</u>	<u>23,000</u>
	<u>10,148</u>	<u>11,249</u>	<u>-</u>	<u>23,000</u>	<u>44,397</u>
Balance at April 30, 2023	<u>173,581</u>	<u>901,964</u>	<u>-</u>	<u>197,013</u>	<u>1,272,558</u>
Exploration costs					
Assays	-	-	-	40,698	40,698
Camp costs	-	-	-	39,777	39,777
Community agreement costs	-	-	-	42,637	42,637
Depreciation	-	5,767	-	5,768	11,535
Drilling	-	-	-	469,740	469,740
Field work	-	-	-	15,987	15,987
Fuel	-	-	-	32,211	32,211
Geological	-	4,048	9,901	122,126	136,075
Travel	<u>-</u>	<u>1,638</u>	<u>3,835</u>	<u>24,365</u>	<u>29,838</u>
	<u>-</u>	<u>11,453</u>	<u>13,736</u>	<u>793,309</u>	<u>818,498</u>
Government grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,350)</u>	<u>(106,350)</u>
	<u>-</u>	<u>11,453</u>	<u>13,736</u>	<u>686,959</u>	<u>712,148</u>
Acquisition costs					
Staking costs	<u>10,286</u>	<u>12,942</u>	<u>2,327</u>	<u>-</u>	<u>25,555</u>
Balance at January 31, 2024	<u>183,867</u>	<u>926,359</u>	<u>16,063</u>	<u>883,972</u>	<u>2,010,261</u>

(a) *Cora Copper Project, Arizona*

The Cora Copper project comprises staked mining claims located in Pinal County, Arizona.

(b) *Lida Copper Project, Nevada*

The Lida Copper Project comprises staked mining claims located in Esmeralda County, Nevada.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2024
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

(c) *Copper Eagle Project, Nevada*

The Copper Eagle Project comprises staked mining claims located in Douglas County, Nevada.

(d) *Sherridon Property, Manitoba*

On December 6, 2021 the Company entered into an option agreement (the “Sherridon Option Agreement”) with a private British Columbia company (the “Vendor”) pursuant to which the Company has been granted the option to earn up to a 90% interest of 28 mining claims and one mineral lease (the “Sherridon Property”) located in the Sherridon mining district in Manitoba, Canada.

Pursuant to the Sherridon Option Agreement the Company has paid \$15,000 and issued to the Vendor 100,000 common shares of the Company on August 4, 2022. The Company will earn an initial 80% interest (the “Option”) in the Sherridon Property by incurring \$1,000,000 exploration expenditures by January 31, 2026. The Company may then earn a further 10% interest by incurring an additional \$1,000,000 of exploration expenditures by January 31, 2029. Upon exercise of the Option, the Vendor and the Company will form a joint venture and the Vendor will then fund project expenditures in proportion to its interest in the Sherridon Property. If the Vendor’s interest is reduced to less than 10%, its interest will be converted into a 1.5% net smelter royalty that is purchasable by the Company for \$2,000,000 at any time.

On December 21, 2023 the Company received \$106,350 portion of a grant from the Manitoba Mineral Development Fund on past exploration activities incurred on the Sherridon Property.

5. Property, Plant and Equipment

	Field Equipment \$
Balance at April 30, 2022	-
Additions	76,273
Depreciation	<u>(8,274)</u>
Balance at April 30, 2023	67,999
Depreciation	<u>(11,535)</u>
Balance at January 31, 2024	<u>56,464</u>

6. Flow-through Share Premium Liability

	\$
Balance at April 30, 2022	-
Flow-through share premium liability incurred	127,447
Settlement of flow-through share liability on incurred expenditures	<u>(5,665)</u>
Balance at April 30, 2023	121,782
Settlement of flow-through share liability on incurred expenditures	<u>(121,782)</u>
Balance at January 31, 2024	<u>-</u>

In December 2022 the Company completed a flow-through financing for gross proceeds of \$655,444 as described in Note 7(b). See also Note 12.

T2 METALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2024
(Unaudited - Expressed in Canadian Dollars)

7. Share Capital

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) Equity Financings

Nine Months Ended January 31, 2024

During the nine months ended January 31, 2024 the Company did not conduct any equity financings.

Fiscal 2023

During fiscal 2023 the Company completed a non-brokered private placement totalling 3,090,478 units as follows:

- (i) in December 2022 the Company issued 1,820,678 units (the "FT units") in the flow-through portion of the financing (the "FT Financing") at \$0.36 per FT unit, for gross proceeds of \$655,444. Each FT unit comprised one flow-through common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.45 per share for three years from the date of issuance; and
- (ii) in January 2023 the Company issued 1,269,800 units (the "NFT units") in the non-flow-through portion of the financing at \$0.29 per unit, for gross proceeds of \$368,242. Each NFT unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.45 per share for three years from the date issuance.

The Company paid a finders' fee of \$33,001 cash and issued 91,672 share purchase warrants (the "Finders' Warrants"). Each Finders' Warrant entitles the holder to purchase an additional common share at a price of \$0.29 per share on or before December 28, 2025. The value assigned to the Finders' Warrants was \$22,918. The weighted average fair value of the Finders' Warrants issued was \$0.25 per warrant. The fair value of the Finders' Warrants has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 3.6%; expected volatility of 111%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The above warrants including the Finders' Warrants are subject to an acceleration clause. Post expiration of the hold period the Company can elect to accelerate the expiry of the warrants in the event that the volume weighted average trading price of its common shares on the TSXV equals or exceeds \$0.90 per share for twenty consecutive trading days, in which case the warrants will expire thirty days after the date the Company provides written notice of acceleration by way of the issuance of a press release.

The Company incurred a total of \$9,449 for legal and other costs associated with this private placement.

Two directors of the Company purchased a total of 277,800 FT units and 200,000 NFT units.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2024
(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

(c) Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at January 31, 2024 and 2023 and the changes for the nine months ended on those dates is as follows:

	2024		2023	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	10,376,028	0.42	10,081,278	0.35
Issued	-	-	2,547,250	0.44
Exercised	-	-	(1,712,000)	0.13
Expired	-	-	(540,500)	0.14
Balance, end of period	<u>10,376,028</u>	0.42	<u>10,376,028</u>	0.42

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at January 31, 2024:

Number	Exercise Price \$	Expiry Date
5,953,778	0.45	March 25, 2024*
1,875,000	0.30	October 15, 2024
1,666,700	0.45	December 22, 2025
153,978	0.45	December 28, 2025
91,672	0.29	December 28, 2025
125,000	0.45	January 20, 2026
<u>509,900</u>	0.45	January 23, 2026
<u>10,376,028</u>		

* On March 25, 2024 warrants to purchase 5,953,778 common shares expired without exercise.

(d) Share Option Plan

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

No share options were granted during the nine months ended January 31, 2024.

During the nine months ended January 31, 2023 the Company granted share options to purchase 485,000 common shares and recorded compensation expense of \$67,900. The fair value of share options granted during the nine months ended January 31, 2023 was estimated using the Black-Scholes Option Pricing Model using the following assumptions: a risk-free interest rate of 3.89%; expected volatility of 108%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The weighted average measurement date fair value of all share options granted during the nine months ended January 31, 2023, using the Black-Scholes Option Pricing Model, was \$0.14 per option.

T2 METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2024***(Unaudited - Expressed in Canadian Dollars)***7. Share Capital (continued)**

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at January 31, 2024 and 2023 and the changes for the nine months ended on those dates, is as follows:

	2024		2023	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	2,549,000	0.30	2,189,000	0.30
Granted	-	-	485,000	0.25
Expired / Cancelled	<u>(1,479,000)</u>	0.36	<u>(125,000)</u>	0.32
Balance, end of period	<u>1,070,000</u>	0.27	<u>2,549,000</u>	0.30

The following table summarizes information about the share options outstanding and exercisable at January 31, 2024:

Number	Exercise Price \$	Expiry Date
150,000	0.22	July 16, 2024
190,000	0.21	October 1, 2024
160,000	0.21	November 1, 2024
150,000	0.25	January 25, 2025
<u>420,000</u>	0.25	October 14, 2025
<u>1,070,000</u>		

8. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) Transactions with Key Management Personnel

The Company has determined that key management personnel consists of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company. During the nine months ended January 31, 2024 the Company incurred \$108,000 (2023- \$90,000) executive compensation with respect to the Company's key management personnel. As at January 31, 2024 \$331,480 (April 30, 2023 - \$235,480) remained unpaid and has been included in accounts payable and accrued liabilities.

During the nine months ended January 31, 2023 the Company also recorded \$14,000 share-based compensation for share options granted to key management personnel. No share-based compensation expense was recognized during the nine months ended January 31, 2024.

T2 METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JANUARY 31, 2024

(Unaudited - Expressed in Canadian Dollars)

8. Related Party Transactions and Balances (continued)

(b) Transactions with Other Related Parties

- (i) During the nine months ended January 31, 2024 the Company incurred \$18,000 (2023 - \$16,088) for compensation to non-executive directors of the Company. As at January 31, 2024 \$51,963 (April 30, 2023 - \$41,963) remained unpaid and has been included in accounts payable and accrued liabilities.

During the nine months ended January 31, 2023 the Company also recorded \$27,300 share-based compensation for share options granted to non-executive directors. No share-based compensation expense was recognized during the nine months ended January 31, 2024.

- (ii) During the nine months ended January 31, 2024 the Company incurred \$27,000 (2023 - \$35,450) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by the CFO of the Company. As at January 31, 2024 \$5,000 (April 30, 2023 - \$9,000) remained unpaid and has been included in accounts payable and accrued liabilities.

During the nine months ended January 31, 2023 the Company also recorded \$10,500 share-based compensation for share options granted to Chase. No share-based compensation expense was recognized during the nine months ended January 31, 2024.

- (iii) See also Note 7(b).

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	January 31, 2024 \$	April 30, 2023 \$
Cash	Amortized cost	483,295	1,463,855
Bonds	Amortized cost	33,168	33,616
Accounts payable and accrued liabilities	Amortized cost	(479,644)	(378,246)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and bonds approximate their fair value.

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9. Financial Instruments and Risk Management (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at January 31, 2024				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	483,295	-	-	-	483,295
Bonds	-	-	33,168	-	33,168
Accounts payable and accrued liabilities	(479,644)	-	-	-	(479,644)
	Contractual Maturity Analysis at April 30, 2023				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,463,855	-	-	-	1,463,855
Bonds	-	-	33,616	-	33,616
Accounts payable and accrued liabilities	(378,246)	-	-	-	(378,246)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At January 31, 2024, 1 Canadian Dollar was equal to 0.75 US Dollar.

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9. Financial Instruments and Risk Management (continued)

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	10,409	13,879
Bonds	24,758	33,168
Accounts payable and accrued liabilities	<u>(4,452)</u>	<u>(5,935)</u>
	<u>30,715</u>	<u>41,112</u>

Based on the net exposures as of January 31, 2024 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$4,100 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties or evaluate business opportunities which may become available. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

10. Supplemental Cash Flow Information

During the nine months ended January 31, 2024 and 2023 non-cash activities were conducted by the Company as follows:

	2024 \$	2023 \$
Operating activities		
Depreciation	11,535	4,555
Accounts payable and accrued liabilities	<u>(3,546)</u>	<u>58,879</u>
	<u>7,989</u>	<u>63,434</u>
Investing activity		
Exploration and evaluation assets	<u>(7,989)</u>	<u>(63,434)</u>
Financing activities		
Share-based payments reserve	-	22,918
Share issue costs	<u>-</u>	<u>(22,918)</u>
	<u>-</u>	<u>-</u>

11. Segmented Information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Canada and the United States and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

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The Company's total assets are segmented geographically as follows:

	January 31, 2024		
	Canada \$	USA \$	Total \$
Current assets	542,645	8,200	550,845
Exploration and evaluation assets	883,972	1,126,289	2,010,261
Property, plant and equipment	28,232	28,232	56,464
Bonds	-	33,168	33,168
	<u>1,454,849</u>	<u>1,195,889</u>	<u>2,650,738</u>

	April 30, 2023		
	Canada \$	USA \$	Total \$
Current assets	1,475,733	40,777	1,516,510
Exploration and evaluation assets	197,013	1,075,545	1,272,558
Property, plant and equipment	34,000	33,999	67,999
Bonds	-	33,616	33,616
	<u>1,706,746</u>	<u>1,183,937</u>	<u>2,890,683</u>

12. Commitment

In December 2022 the Company entered into a flow-through private placement to fund exploration activities on its Canadian properties. Canadian tax rules require the Company to spend flow-through funds on exploration expenses by the end of the calendar year following the year in which they were raised.

At January 31, 2024, the Company has expended all of the FT Financing amount of \$655,444 on qualified exploration expenditures.

The Company may be subject to interest on flow-through proceeds ("Part XII.6 Tax") renounced under the look-back rules in respect of prior years, and penalties, in accordance with regulations in the Income Tax Act (Canada), if it is determined that flow-through proceeds were not properly or timely spent on Canadian exploration expenses. Any Part XII.6 Tax is expensed as incurred as an operating expense.

The Company has indemnified the subscribers of the FT Financing from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.