
MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

(Unaudited)

| Three and six months ended June 30, | Three months | | Six months | |
|--|---------------------|-------------------|---------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| EXPENSES | | | | |
| Exploration expenses (Note 8) | \$ 180,118 | \$ 359,186 | \$ 1,138,414 | \$ 618,365 |
| Professional fees | 10,307 | 27,075 | 27,111 | 37,900 |
| Management fees and salaries (Note 12) | 69,674 | 138,252 | 164,902 | 273,506 |
| Office and general | 19,222 | 34,635 | 38,304 | 59,834 |
| Regulatory and transfer agent | 1,330 | 8,003 | 17,754 | 39,509 |
| Investor relations | 87,140 | 85,918 | 176,492 | 215,077 |
| Share-based payments (Notes 11 and 12) | - | 1,089 | - | 2,178 |
| Loss before other income and expenses | 367,791 | 654,158 | 1,562,977 | 1,246,369 |
| Interest income | (4,740) | (10,613) | (19,642) | (26,207) |
| Other income | (2,500) | | (7,500) | - |
| Flow-through share premium (Note 13) | (7,616) | | (61,838) | - |
| Loss for the period | \$ 352,935 | \$ 643,545 | \$ 1,473,997 | \$ 1,220,162 |
| Loss per share - basic and diluted | \$ 0.00 | \$ 0.00 | \$ 0.01 | \$ 0.01 |
| Weighted average number of common shares outstanding - basic and diluted | 260,773,022 | 218,211,957 | 260,773,022 | 218,211,957 |

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

MURCHISON MINERALS LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

(Unaudited)

| | <u>Reserves</u> | | | | Total |
|--|------------------|--|---------------------|-----------------|--------------|
| | Share Capital | Equity settled share-based payments reserve | Warrants reserve | Deficit | |
| Balance, December 31, 2022 | \$ 41,612,477 | \$ 1,732,899 | \$ 678,890 | \$ (41,694,180) | \$ 2,330,086 |
| Loss for the period | - | - | - | (1,220,162) | (1,220,162) |
| Issuance of stock options / share-based compensation | - | 2,178 | - | - | 2,178 |
| Expiry of warrants | - | - | (85,260) | 85,260 | - |
| Expiry of stock options | - | (121,410) | - | 121,410 | - |
| Balance, June 30, 2023 | \$ 41,612,477 | \$ 1,613,667 | \$ 593,630 | \$ (42,707,672) | \$ 1,112,102 |
| Balance, December 31, 2023 | \$ 43,424,724 | \$ 1,765,655 | \$ 423,063 | \$ (43,459,663) | \$ 2,153,779 |
| Loss for the period | - | - | - | (1,473,997) | (1,473,997) |
| Expiry of stock options | - | (59,340) | - | 59,340 | - |
| Balance, June 30, 2024 | \$ 43,424,724 | \$ 1,706,315 | \$ 423,063 | \$ (44,874,320) | \$ 679,782 |

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

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

| Three and six months ended June 30, | Three months | | Six months | |
|--|---------------------|-------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| CASH (USED IN) PROVIDED BY: | | | | |
| OPERATING ACTIVITIES | | | | |
| Loss for the period | \$ (352,935) | \$ (643,545) | \$ (1,473,997) | \$ (1,220,162) |
| Share-based payments | - | 1,089 | - | 2,178 |
| Flow-through share premium | (7,616) | - | (61,838) | - |
| Amortization | 11,151 | 12,308 | 23,459 | 24,616 |
| | (349,400) | (630,148) | (1,512,376) | (1,193,368) |
| Net change in non-cash working capital items: | | | | |
| Amounts receivable and prepaid expenses | 78,055 | 7,577 | 8,326 | 400,301 |
| Accounts payable and accrued liabilities | (341,407) | (45,982) | (2,542) | (192,746) |
| Net cash flows used in operating activities | (612,752) | (668,553) | (1,506,592) | (985,813) |
| FINANCING ACTIVITIES | | | | |
| Loan repayments | (2,226) | (11,057) | (4,398) | (22,085) |
| Net cash flows provided by financing activities | (2,226) | (11,057) | (4,398) | (22,085) |
| NET CHANGE IN CASH | (614,978) | (679,610) | (1,510,990) | (1,007,898) |
| CASH, BEGINNING OF THE PERIOD | 927,960 | 1,378,664 | 1,823,972 | 1,706,952 |
| CASH, END OF THE PERIOD | \$ 312,982 | \$ 699,054 | \$ 312,982 | \$ 699,054 |

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

MURCHISON MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The condensed interim consolidated financial statements were approved by the Board of Directors on August 28, 2024.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at June 30, 2024, the Company has a cumulative deficit of \$44,874,320 (December 31, 2023 - \$43,459,663), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

MURCHISON MINERALS LTD.
Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed in the consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Government grants and assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a refundable duties credit for losses, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Government grants and assistance are transfers of resources to an entity by government in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is action by government designed to provide an economic benefit that is specific to an entity or range of entities qualifying under certain criteria.

Government grants and assistance are recognized where there is a reasonable assurance that the grants and assistance will be received, and conditions will be complied with. Government grants and assistance are recognized as an offset to the expenses to which they relate.

Property and equipment

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

MURCHISON MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

| Detail | Rate | Method |
|-----------------------|----------|---------------|
| Exploration equipment | 3 years | Straight-line |
| Computer equipment | 5 years | Straight-line |
| Buildings | 20 years | Straight-line |

New and future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. The Company has adopted IAS 1 and it had no material impact on the Company’s financial statements.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at June 30, 2024 totalled \$679,782 (December 31, 2023 - \$2,153,779). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the period ended June 30, 2024. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

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Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended June 30, 2024.

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 balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had a cash balance of \$312,982 (December 31, 2023 - \$1,823,972) to settle accounts payable, accrued liabilities and loan payable of \$108,933 (December 31, 2023 - \$115,873). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable as disclosed in Note 14.

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 prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt other than the loan payable at a fixed interest rate. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal.

Commodity price risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at June 30, 2024, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

- (i) Based on cash balances earning interest at June 30, 2024, a 1% change in interest rates would result in a corresponding interest income change of approximately \$300 for the one-year period.

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5. CATEGORIES OF FINANCIAL INSTRUMENTS

| | June 2024 | December 2023 |
|--|--------------|------------------|
| Financial assets: | | |
| Amortized cost | | |
| Cash | \$ 312,982 | \$ 1,823,972 |
| Financial liabilities: | | |
| Amortized cost | | |
| Accounts payable and accrued liabilities | \$ 89,397 | \$ 91,939 |
| Loan payable | 19,536 | 23,934 |

As of June 30, 2024 and December 31, 2023, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

| | June 2024 | December 2023 |
|--|--------------|------------------|
| Sales tax receivable | \$ 19,895 | \$ 87,250 |
| Tax credits receivable | 176,479 | 188,118 |
| Saskatchewan TMEI receivable | 150,000 | - |
| Prepaid expenses and other receivables | 38,795 | 118,127 |
| | \$ 385,169 | \$ 393,495 |

7. PROPERTY AND EQUIPMENT

| | Computer equipment | Buildings | Exploration equipment | Total |
|-------------------------------|-----------------------|------------------|--------------------------|-------------------|
| COST | | | | |
| Balance, December 31, 2022 | \$ 6,602 | \$ 98,866 | \$ 170,954 | \$ 276,422 |
| Additions | - | - | - | - |
| Balance, June 30, 2023 | \$ 6,602 | \$ 98,866 | \$ 170,954 | \$ 276,422 |
| Balance, December 31, 2023 | \$ 6,602 | \$ 98,866 | \$ 170,954 | \$ 276,422 |
| Additions | - | - | - | - |
| Balance, June 30, 2024 | \$ 6,602 | \$ 98,866 | \$ 170,954 | \$ 276,422 |

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Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
(Unaudited)

7. PROPERTY AND EQUIPMENT (Continued)

AMORTIZATION

| | | | | |
|-------------------------------|-------------------|--------------------|---------------------|---------------------|
| Balance, December 31, 2022 | \$ (1,210) | \$ (7,656) | \$ (83,779) | \$ (92,645) |
| Additions | (660) | (2,470) | (21,486) | (24,616) |
| Balance, June 30, 2023 | \$ (1,870) | \$ (10,126) | \$ (105,265) | \$ (117,261) |
| Balance, December 31, 2023 | \$ (2,530) | \$ (12,596) | \$ (126,751) | \$ (141,877) |
| Additions | \$ (660) | (2,470) | (20,329) | (23,459) |
| Balance, June 30, 2024 | \$ (3,190) | \$ (15,066) | \$ (147,080) | \$ (165,336) |

NET BOOK VALUE

| | | | | |
|--------------------------------------|-----------------|------------------|------------------|-------------------|
| Net book value, June 30, 2023 | \$ 4,732 | \$ 88,740 | \$ 65,689 | \$ 159,161 |
| Net book value, June 30, 2024 | \$ 3,412 | \$ 83,800 | \$ 23,874 | \$ 111,086 |

Exploration equipment with a net book value of \$nil as at June 30, 2024 (December 2023 - \$5,781) is used as security for the loan payable described in Note 14.

8. EXPLORATION AND EVALUATION PROPERTIES

Brabant Lake Property – Saskatchewan

As at June 30, 2024 and December 2023, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

HPM Property - Quebec

As at June 30, 2024 and December 2023, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

Barraute-Landrienne Property - Quebec

On February 3, 2023, the Company terminated the GAL agreement entered into on April 28, 2021.

The following table sets out the exploration expenses for the six month periods ended June 30, 2024 and 2023:

| HPM | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| Amortization | 14,548 | 14,548 |
| Drilling | \$ 3,325 | \$ 118,055 |
| Geology and prospecting | 58,766 | 80,389 |
| Geophysics | 1,328 | 152,946 |
| Claims maintenance and staking | 17,930 | 60,974 |
| General administrative and permitting | 14,101 | 96,827 |
| Tax credits receivable | - | (187,900) |
| Total HPM | \$ 109,998 | \$ 335,839 |

MURCHISON MINERALS LTD.

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(Expressed in Canadian Dollars)

(Unaudited)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Brabant Lake

| | | | | |
|--|-----------|------------------|-----------|----------------|
| Amortization | \$ | 8,251 | \$ | 9,408 |
| Drilling | | 950,266 | | - |
| Geology and prospecting | | 104,019 | | 142,537 |
| Geophysics | | 98,947 | | 100,765 |
| Claims maintenance and staking | | 13,307 | | 6,892 |
| General administrative | | 3,626 | | 2,000 |
| Government assistance – Drilling incentive | | (150,000) | | - |
| Total Brabant Lake | \$ | 1,028,416 | \$ | 261,602 |

Barraute-Landrienne

| | | | | |
|----------------------------------|-----------|----------|-----------|---------------|
| Geology and prospecting | \$ | - | \$ | 3,737 |
| Claims maintenance and staking | | - | | 18,387 |
| Tax credits receivable | | - | | (1,200) |
| Total Barraute-Landrienne | \$ | - | \$ | 20,924 |

| | | | | |
|-----------------------------------|-----------|------------------|-----------|----------------|
| Total Exploration Expenses | \$ | 1,138,414 | \$ | 618,365 |
|-----------------------------------|-----------|------------------|-----------|----------------|

Government Assistance and Tax Credits

The Company is entitled to a credit on duties refundable for losses under the Quebec Mining Duties Act. This credit on duties refundable for losses on mineral exploration expenses incurred in the Province of Quebec at the rate of 8% has been applied against the costs incurred. These amounts have been recorded as a reduction of the HPM exploration expenditures.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred. These amounts have also been recorded as a reduction of the HPM exploration expenditures. The Company has recorded \$nil in expected tax credits against exploration activity for the period ended June 30, 2024 (June 30, 2023 - \$187,900). As at June 30, 2024, the Company is carrying a tax credit receivable balance of \$176,479 (December 31, 2023 - \$188,118).

The Saskatchewan Targeted Mineral Exploration Incentive (“TMEI”) supports the diversification of Saskatchewan's mineral sector by encouraging exploration for base metals, precious metals, and diamonds as well as other components such as airborne geophysical data and complementary ground-based geoscience investigations.

The TMEI provides up to \$150,000 financial assistance in the form of a grant to eligible exploration companies that undertake exploration drilling for base metals, precious metals, or diamonds. For the period ended June 30, 2024, the Company expected to receive \$150,000 under the TMEI program which amount was received on July 3, 2024.

9. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

| | | Number | | Amount |
|--|--|--------------------|-----------|-------------------|
| Balance - December 31, 2022 and June 30, 2023 | | 218,211,957 | \$ | 41,612,477 |
| Balance – December 31, 2023 and June 30, 2024 | | 260,773,022 | \$ | 43,424,724 |

MURCHISON MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

10. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the periods ended June 30, 2024 and 2023:

| | Number of Warrants | Grant Date Fair Value | Weighted Average Exercise Price |
|--|--------------------|-----------------------|---------------------------------|
| Balance – December 31, 2022 | 30,019,054 | \$ 678,890 | \$ 0.18 |
| Expired | (5,328,775) | (85,260) | 0.18 |
| Balance - June 30, 2023 | 24,690,279 | 593,630 | \$ 0.18 |
| Balance – December 31, 2023 and June 30, 2024 | 22,435,717 | \$ 423,063 | \$ 0.09 |

As at June 30, 2024, the Company had warrants and finders' warrants outstanding as follows:

| Date of Issue | Number of Warrants | Exercise Price (\$) | Fair Value (\$) | Expiry Date | Remaining Contractual Life (years) |
|-------------------|--------------------|---------------------|-----------------|-------------------|------------------------------------|
| July 26, 2023 | 12,079,277 | 0.10 | 237,703 | July 26, 2025 | 1.07 |
| December 28, 2023 | 518,190 | 0.055 | 9,250 | December 28, 2025 | 1.50 |
| December 28, 2023 | 9,838,250 | 0.08 | 176,110 | December 28, 2025 | 1.50 |
| | 22,435,717 | | 423,063 | | 1.27 |

11. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the periods ended June 30, 2024 and 2023:

| | Number of Stock Options | Weighted Average Exercise Price |
|------------------------------------|-------------------------|---------------------------------|
| Balance - December 31, 2022 | 21,495,000 | \$ 0.10 |
| Expired | (710,000) | 0.19 |
| Balance - June 30, 2023 | 20,785,000 | \$ 0.10 |
| Balance - December 31, 2023 | 25,110,000 | \$ 0.09 |
| Expired | (645,000) | 0.095 |
| Balance – June 30, 2024 | 24,465,000 | \$ 0.09 |

MURCHISON MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

11. STOCK OPTIONS (Continued)

As at June 30, 2024, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

| Date of Grant | Options Outstanding ⁽¹⁾ | Exercise Price (\$) | Grant Date Fair Value (\$) | Expiry Date | Weighted Average Remaining Contractual Life (years) |
|---------------------------------|------------------------------------|---------------------|----------------------------|-------------------|---|
| December 23, 2019 | 3,300,000 | 0.085 | 244,200 | December 23, 2024 | 0.48 |
| December 31, 2020 | 3,700,000 | 0.095 | 284,900 | December 31, 2025 | 1.50 |
| April 14, 2021 | 200,000 | 0.095 | 9,800 | April 14, 2026 | 1.79 |
| May 25, 2021 | 500,000 | 0.095 | 26,000 | May 25, 2026 | 1.90 |
| July 2, 2021 | 200,000 | 0.095 | 10,800 | July 2, 2026 | 2.01 |
| October 11, 2021 | 1,000,000 | 0.08 | 59,000 | October 11, 2026 | 2.28 |
| December 20, 2021 | 3,625,000 | 0.13 | 351,625 | December 20, 2026 | 2.47 |
| January 24, 2022 ⁽¹⁾ | 200,000 | 0.135 | 19,600 | January 24, 2027 | 2.57 |
| July 29, 2022 | 4,700,000 | 0.09 | 314,900 | July 29, 2027 | 3.08 |
| December 15, 2022 | 2,315,000 | 0.12 | 210,665 | December 15, 2027 | 3.46 |
| December 29, 2023 | 4,725,000 | 0.05 | 175,825 | December 29, 2028 | 4.50 |
| | 24,465,000 | 0.09 | 1,706,315 | | 2.63 |

⁽¹⁾ All options are exercisable.

12. RELATED PARTY TRANSACTIONS

a) Remuneration of directors and officers was as follows:

| Three and six months ended June 30, | Three months | | Six months | |
|-------------------------------------|----------------|----------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Salaries and benefits | 110,775 | 146,320 | \$ 239,658 | \$ 306,315 |
| Share-based payments | - | - | - | - |
| | 110,775 | 146,320 | \$ 239,658 | \$ 306,315 |

For the six-month period ended June 30, 2024, the salaries and benefits amount above includes \$56,250 (2023 - \$112,500) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also includes \$61,458 (2023 - \$75,615) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO and \$43,200 (2023 - \$43,200) for fees invoiced by the Executive Chairman of the Company for his services as Executive Chairman.

13. COMMITMENTS AND CONTINGENCIES

Management Contracts

The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling \$1,381,300 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the condensed interim consolidated financial statements. The commitment upon termination of the agreements is \$380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is \$690,600, in aggregate.

Flow-Through Indemnification

As at June 30, 2024, the Company has to incur \$144,333 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

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(Expressed in Canadian Dollars)

(Unaudited)

13. COMMITMENTS AND CONTINGENCIES (Continued)

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

| | Flow-through funding and expenditure requirements | Flow- through share premium liability |
|---|--|---|
| | \$ | \$ |
| Balance, December 31, 2023 | 776,069 | 82,360 |
| Flow-through expenditures incurred and reduction of liability | (631,736) | (61,838) |
| Balance, June 30, 2024 | 144,333 | 20,522 |

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

14. LOAN PAYABLE

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of \$43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of \$881 and is secured by the vehicle. The balance payable at June 30, 2024 was \$19,536 of which \$10,578 is due within the next 12 months.

Undiscounted payments over successive years are as follows:

| | Vehicle |
|------------------------------------|------------------|
| 2024 | \$ 5,289 |
| 2025-2026 | 15,867 |
| Total contractual cash flows | \$ 21,156 |
| Less: interest | (1,620) |
| Obligation at June 30, 2024 | \$ 19,536 |

15. RECLASSIFICATION OF THE PRIOR YEAR'S DATA FOR PRESENTATION

Certain of the 2023 comparative amounts have been reclassified to conform to the 2024 form of presentation. The change in presentation was made to provide more relevant information to the users of the financial statements and better conform to the IAS 1 presenting expenses based on their function. Some of the prior period expenses have been reclassified to adopt to the current presentation.

16. SUBSEQUENT EVENT

On July 3, 2024, the Company received \$150,000 from the Government of Saskatchewan in relation to the Saskatchewan TMEI which amount was included in amounts receivable and prepaid expenses as at June 30, 2024.

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End of Notes to Financial Statements