

# **Canter** Resources

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the Six Months Ended December 31, 2023**

**(Expressed in Canadian Dollars)**

**(unaudited)**

#### **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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.**

**The accompanying unaudited condensed consolidated condensed consolidated interim financial statements of Canter Resources Corp. for the six months ended December 31, 2023 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.**

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

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**Canter Resources Corp.**

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	December 31,	June 30,
	Note(s)	2023	2023
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		3,771,576	4,279
Amounts receivable		27,832	18,613
Prepaid expenses		141,430	-
		<b>3,940,838</b>	<b>22,892</b>
<b>Non-current assets</b>			
Deposit	4	-	23,328
Exploration and evaluation assets	4	14,935,995	14,123
		<b>14,935,995</b>	<b>37,451</b>
<b>TOTAL ASSETS</b>		<b>18,876,833</b>	<b>60,343</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	710,448	38,806
<b>TOTAL LIABILITIES</b>		<b>710,448</b>	<b>38,806</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	5	19,044,121	607,927
Share subscription received		42,500	-
Warrants reserve	5	94,686	-
Stock options reserve	5	32,383	-
Accumulated deficit		(1,025,263)	(586,390)
Accumulated other comprehensive loss		(22,042)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>18,166,385</b>	<b>21,537</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>18,876,833</b>	<b>60,343</b>
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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Joness Lang Director

/s/ Eric Saderholm Director

**Canter Resources Corp.**

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended		For the six months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		\$	\$	\$	\$
<b>Expenses</b>					
Consulting fees		69,653	9,000	79,408	18,000
Foreign exchange gain		(12,246)	-	(12,246)	-
General and administrative expenses		1,075	10,112	8,960	18,243
Professional fees		111,877	8,207	116,698	8,812
Share-based payments	5	21,547	-	32,383	-
Shareholder information and investor relations		161,553	-	161,553	-
Transfer agent, regulatory and filing fees		48,217	6,565	52,117	7,648
<b>Total expenses</b>		<b>(401,676)</b>	<b>(33,884)</b>	<b>(438,873)</b>	<b>(52,703)</b>
<b>Other expenses</b>					
Impairment of exploration and evaluation assets	4	-	(201,422)	-	(201,422)
<b>Total other expenses</b>		<b>-</b>	<b>(201,422)</b>	<b>-</b>	<b>(201,422)</b>
<b>Net loss</b>		<b>(401,676)</b>	<b>(235,306)</b>	<b>(438,873)</b>	<b>(254,125)</b>
<b>Other comprehensive loss</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations		(22,042)	-	(22,042)	-
<b>Total other comprehensive loss</b>		<b>(22,042)</b>	<b>-</b>	<b>(22,042)</b>	<b>-</b>
<b>Loss and comprehensive loss</b>		<b>(423,718)</b>	<b>(235,306)</b>	<b>(460,915)</b>	<b>(254,125)</b>
<b>Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)</b>		<b>(0.01)</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>33,038,037</b>	<b>11,872,000</b>	<b>22,771,758</b>	<b>11,849,174</b>

See accompanying notes to these unaudited condensed consolidated interim financial statements.

**Canter Resources Corp.**

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)  
(Expressed in Canadian Dollars)

		Common shares		Share subscription received	Warrants reserve	Stock options reserve	Accumulated deficit	Accumulated other comprehensive loss	TOTAL
	Note(s)	#	\$	\$	\$	\$	\$	\$	\$
<b>Balance as of June 30, 2023</b>		<b>11,972,000</b>	<b>607,927</b>	-	-	-	<b>(586,390)</b>	-	<b>21,537</b>
Shares issued for cash - private placement	5	18,671,400	4,427,700	-	-	-	-	-	<b>4,427,700</b>
Share issue costs	5	-	(132,621)	-	-	-	-	-	<b>(132,621)</b>
Fair value of finders' warrants	5	-	(94,686)	-	94,686	-	-	-	-
Share subscribed		-	-	42,500	-	-	-	-	<b>42,500</b>
Shares issued for acquisition	3	18,020,001	14,235,801	-	-	-	-	-	<b>14,235,801</b>
Share-based payments	5	-	-	-	-	32,383	-	-	<b>32,383</b>
Loss and comprehensive loss		-	-	-	-	-	(438,873)	(22,042)	<b>(460,915)</b>
<b>Balance as of December 31, 2023</b>		<b>48,663,401</b>	<b>19,044,121</b>	<b>42,500</b>	<b>94,686</b>	<b>32,383</b>	<b>(1,025,263)</b>	<b>(22,042)</b>	<b>18,166,385</b>
<b>Balance as of June 30, 2022</b>		<b>11,722,000</b>	<b>593,427</b>	-	-	-	<b>(262,420)</b>	-	<b>331,007</b>
Shares issued for exploration and evaluation assets	3, 5	150,000	7,500	-	-	-	-	-	<b>7,500</b>
Loss and comprehensive loss		-	-	-	-	-	(254,125)	-	<b>(254,125)</b>
<b>Balance as of December 31, 2022</b>		<b>11,872,000</b>	<b>600,927</b>	-	-	-	<b>(516,545)</b>	-	<b>84,382</b>

See accompanying notes to these unaudited condensed consolidated interim financial statements.

**Canter Resources Corp.**

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended	
		December 31, 2023	December 31, 2022
		\$	\$
<b>Cash flow from (used in)</b>			
<b>OPERATING ACTIVITIES</b>			
<b>Net loss</b>		(438,873)	(254,125)
Impairment of exploration and evaluation assets	4	-	201,422
Share-based payments	5	32,383	-
<b>Net changes in non-cash working capital items:</b>			
Accounts receivable		2,531	(4,120)
Prepaid expenses		(67,793)	-
Deposits		23,328	-
Accounts payable and accrued liabilities		108,765	(6,892)
<b>Cash flow used in operating activities</b>		<b>(339,659)</b>	<b>(63,715)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation assets additions	4	(44,961)	(103,148)
Cash paid on acquisition	3	(170,054)	-
<b>Cash flow used in investing activities</b>		<b>(215,015)</b>	<b>(103,148)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds on issuance of common shares, net of cash share issue costs	5	4,295,079	-
Shares subscribed		42,500	-
<b>Cash flow provided by financing activities</b>		<b>4,337,579</b>	<b>-</b>
Effects of exchange rate changes on cash		(15,608)	-
<b>Increase (decrease) in cash</b>		<b>3,767,297</b>	<b>(166,863)</b>
<b>Cash, beginning of period</b>		<b>4,279</b>	<b>220,304</b>
<b>Cash, end of period</b>		<b>3,771,576</b>	<b>53,441</b>
<b>Supplemental cash flow information</b>			
Change in accounts payable and accrued liabilities related to exploration and evaluation assets		23,657	1,244
Fair value of finders' warrants		94,686	-
Shares issued for acquisition	3	14,235,801	-
Shares issued for exploration and evaluation assets		-	7,500
Cash paid for income taxes		-	-
Cash paid for interest		-	-

See accompanying notes to these consolidated financial statements.

## **Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

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### **1) CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Canter Resources Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on March 7, 2018. The Company is engaged in the exploration and evaluation of resource properties in Canada and United States.

The Company’s corporate office and principal place of business is Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6. On December 31, 2021, the Company’s common shares began trading on the Canadian Securities Exchange (“CSE”) under the ticket CRC.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of exploration and evaluation assets in Canada (Saskatchewan) and the United States (Montana and Nevada). The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether these assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has incurred losses since its inception and has an accumulated deficit of \$1,025,263 as of December 31, 2023 (June 30, 2023 – \$586,390), which has been funded primarily by issuance of shares. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments may be material.

#### **Acquisition of Altitude Ventures Corp. (“Altitude”) (Note 3)**

On November 10, 2023, the Company entered into an amalgamation agreement (the “AVC Amalgamation Agreement”) with Altitude and 1447235 B.C. Ltd., the wholly owned subsidiary of the Company, to acquire all of the issued and outstanding common shares of Altitude by way of a three-cornered amalgamation (the “AVC Acquisition”). The Acquisition was completed on November 21, 2023 (the “AVC Acquisition Closing Date”).

These unaudited condensed consolidated interim financial statements of the Company for the six months ended December 31, 2023 were approved by the Board of Directors on February 28, 2024.



## **Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

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### **2) SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

#### **Statement of compliance to International Financial Reporting Standards**

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards. These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

#### **Basis of presentation**

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023.

#### **Comparative Figures**

Certain comparative figures have been reclassified in accordance with the current period's presentation.

#### **New accounting standards**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretation Committee that are mandatory for accounting periods beginning on or after July 1, 2023. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after July 1, 2023 will have a significant impact on the Company's results of operations or financial position.

### **3) ACQUISITION OF ALTITUDE VENTURES CORP.**

As discussed in Note 1, on November 21, 2023, the Company closed the AVC Acquisition by issuing 18,020,001 common shares of the Company (the "Consideration Shares") with fair value of \$14,235,801.

The AVC Acquisition constitutes an asset acquisition as Altitude does not meet the definition of a business, as defined in IFRS 3, "Business Combinations" and is accounted for in accordance with guidance provided IFRS 2, "Share-Based Payment".

In connection with the AVC Acquisition, the Company incurred transaction costs of \$28,707.

Prior to the closing of the AVC Acquisition, the Company advanced a loan of US\$135,000 to Altitude to satisfy certain payment obligations under the option agreement of the Columbus Lithium-Boron Property (Note 4). The amount was eliminated upon the consolidation.

Pursuant to the AVC Amalgamation Agreement, 7,220,000 of the Consideration Shares are subject to a lock-up period (Note 5).

**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

**3) ACQUISITION OF ALTITUDE VENTURES CORP. (CONTINUED)**

The total consideration of \$14,235,801 and the transaction costs of \$28,707 associated with the AVC Acquisition has been allocated as follows:

	\$
Cash	43,703
Amounts receivable	11,750
Prepaid expenses	73,637
Exploration and evaluation assets (see below)	14,868,995
Accounts payable and accrued liabilities	(548,527)
<b>Fair value of net assets acquired</b>	<b>14,449,558</b>

**Consideration comprised of:**

Fair value of common shares issued	14,235,801
Loan advanced to Altitude prior to the transaction	185,050
Transaction costs	28,707
	<b>14,449,558</b>

	\$
<b>Exploration and evaluation assets</b>	
Beaver Creek	870,815
Columbus Lithium-Boron	13,998,180
	<b>14,868,995</b>

**4) EXPLORATION AND EVALUATION ASSETS**Exploration and evaluation assets

Project / Property	Balance as of June 30, 2023	Acquisition costs (Note 3)	Expenditures	Effect of movements in exchange rate	Balance as of December 31, 2023
	\$	\$	\$	\$	\$
Puzzle Lake	14,123	-	-	-	14,123
Beaver Creek	-	870,815	-	-	870,815
Columbus Lithium-Boron	-	14,008,129	59,635	(16,707)	14,051,057
	<b>14,123</b>	<b>14,878,944</b>	<b>59,635</b>	<b>(16,707)</b>	<b>14,935,995</b>

Breakdown of the expenditures incurred by the Company on various projects during the six months ended December 31, 2023 are as follows:

	Puzzle Lake	Beaver Creek	Columbus Lithium- Boron	Schotts Lake	TOTAL
	\$	\$	\$	\$	\$
Geological	-	-	48,370	-	48,370
Mapping	-	-	672	-	672
Sample analysis	-	-	2,133	-	2,133
Travel	-	-	8,460	-	8,460
	-	-	<b>59,635</b>	-	<b>59,635</b>

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

### 4) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

#### **Puzzle Lake Property**

On January 23, 2023, the Company entered into an option agreement (the "PL Agreement") with Eagle Plains Resources Inc. ("Eagle Plains") to acquire up to a 60% interest in six mineral claims located in Saskatchewan with respect to the Puzzle Lake Property.

Pursuant to the PL Agreement, to earn 60% interest in the Puzzle Lake Property, the Company is required make the following payments and expenditures (the "PL Required Payments"):

	Cash payment (\$)	Shares (#)	Exploration expenditures (\$)
On January 23, 2023	-	100,000 (issued with fair value of \$7,000)	-
On or before December 31, 2023	40,000	100,000	100,000
On or before December 31, 2024	50,000	200,000	200,000
On or before December 31, 2025	60,000	200,000	300,000
On or before December 31, 2026	100,000	400,000	900,000
On or before December 31, 2027	-	-	1,500,000
<b>Total</b>	<b>250,000</b>	<b>1,000,000</b>	<b>3,000,000</b>

On December 21, 2023, the Company entered into an amendment (the "PL Amended Agreement") with Eagle Plains. Pursuant to the PL Amended Agreement, the PL Required Payments were amended as follows:

	Cash payment (\$)	Shares (#)	Exploration expenditures (\$)
On January 23, 2023	-	100,000 (issued with fair value of \$7,000)	-
On or before March 31, 2024	40,000	100,000	100,000
On or before December 31, 2024	50,000	200,000	200,000
On or before December 31, 2025	60,000	200,000	300,000
On or before December 31, 2026	100,000	400,000	900,000
On or before December 31, 2027	-	-	1,500,000
<b>Total</b>	<b>250,000</b>	<b>1,000,000</b>	<b>3,000,000</b>

#### **The Beaver Creek Property**

In connection with the AVC Acquisition, the Company acquired 100% interest in the Beaver Creek Property. The Beaver Creek Property is comprised of a series of lithium occurrences located in the town of Lincoln, Montana, USA.

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

### 4) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

#### **The Columbus Lithium-Boron Property**

In connection with the AVC Acquisition, the Company entered into an option agreement to acquire a 100% interest of the Columbus Lithium-Boron Project located in the Columbus Salt Marsh Basin, Esmeralda County, Nevada, USA (the "CLB Agreement"). The option agreement was entered into by Altitude Lithium USA Corp. on November 9, 2023.

To acquire 100% interest of the Columbus Lithium-Boron Project, the Company is required to make the following payments to the optionors of the Columbus Lithium-Boron Property (the "CLB Optionors"):

	Cash (US\$)	Common Shares (#)
Within 5 business days of the CLB Effective Date	160,000*	-
Within 60 days following the CLB Effective Date	-	1,750,000
Within 12 months of the CLB Effective Date	-	1,000,000
Within 18 months of the CLB Effective Date	250,000	1,000,000
On or before the earlier of: <i>24 months of the CLB Effective Date</i>		
<i>30 days after publishing the technical report for the Columbus Lithium-Boron Property prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects which includes a current resource estimate on the Columbus Lithium-Boron Property</i>	600,000**	**

\* This amount was paid prior to the AVC Acquisition

\*\* \$300,000 should be paid either by cash or 1,000,000 common shares at the election of the Company.

In addition, the Company is required to incur US\$750,000 exploration and evaluation expenditures, including total cumulative drilling in the Area of Interest of at least 2,000 feet and having used best efforts to retrieve brine samples of a quality suitable for lab assay on the Columbus Lithium-Boron Property within 18 months following the CLB Effective Date (the "CLB Work Commitment Period"). In any circumstance, if the Company encounters a delay by the authority to review and issue permits for which the Company must apply to conduct any mining works on the Columbus Lithium-Boron Property, the Company is allowed to extend the CLB Work Commitment Period for the duration of such delays with a maximum of 36 months from the CLB Effective Date.

Furthermore, within 60 days of the CLB Effective Date, the Company is required to reimburse the CLB Optionors the annual mining claim maintenance fees of Columbus Lithium-Boron Property paid by the CLB Optionors since June 1, 2023, to the U.S. Department of the Interior Bureau of Land Management and documented payments of state mining claim fees paid to Esmeralda County, Nevada to keep the Columbus Lithium-Boron Property in good standing (US\$203,784 was paid to the CLB Optionors subsequent to December 31, 2023).

The CLB Optionors will retain a production royalty equal to 2.5% of the gross value from all mineral production from the Columbus Lithium-Boron Project, including any unpatented mining claims located in the applicable area of interest. Altitude may, within 36 months of the CLB Effective Date, repurchase 40% of the production royalty (representing 1.0% of the gross value) for a one-time payment of US\$1,500,000.

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

### 4) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

#### **The Columbus Lithium-Boron Property (continued)**

##### Water Right Appurtenance Agreement

On November 27, 2023 (the "WRA Effective Date"), the Company, through its wholly-owned subsidiary Altitude Lithium USA Corp., entered into a water right appurtenance agreement (the "WRA Agreement") to acquire a 100% interest in certain water rights permits applicable to the Columbus Lithium-Boron Property. The CLB Optionors are the owners of two applications soon to become permits to appropriate the waters of the State of Nevada filed with the Nevada Division of Water Resources (the "CLB Permits").

Pursuant to the terms of the WRA Agreement, to acquire a 100% interest in the CLB Permits, the Company is required to make the following payments (the "WRA Payments") to the CLB Optionors:

	Cash (US\$)	Common Shares (#)
6 months after the WRA Effective Date	20,000	300,000
12 months after the WRA Effective Date	30,000	400,000
18 months after the WRA Effective Date	50,000	500,000
24 months after the WRA Effective Date	300,000	600,000
<b>Total</b>	<b>400,000</b>	<b>1,800,000</b>

On completion of the WRA Payments, the CLB Optionors should convey the Permits to the Company.

##### **Schotts Lake Property**

On May 11, 2021, the Company signed a letter of intent (the "SLP LOI") with Eagles Plains whereby the Company has the option to acquire a 60% interest in twelve mineral claims located approximately 40 km northwest of Creighton, Saskatchewan. On July 21, 2021, the Company signed a definitive option agreement (the "SLP Agreement") with Eagle Plains to acquire a 60% interest in the Schotts Lake Property.

Pursuant to the SLP Agreement, to earn 60% interest in the Schotts Lake Property the Company will make the following payments and expenditures:

	Cash payment (\$)	Shares (#)	Exploration expenditures (\$)
Upon signing of the LOI	10,000 (paid)	-	-
Upon listing on the CSE or December 20, 2021	20,000 (paid)	150,000 (issued with fair value of \$15,000)	-
On or before July 31, 2022	35,000 (paid)	150,000 (issued with fair value of \$7,500)	100,000
On or before December 31, 2022	50,000	150,000	500,000
On or before December 31, 2023	75,000	150,000	800,000
On or before December 31, 2024	120,000	200,000	1,600,000
On or before December 31, 2025	200,000	200,000	2,000,000
<b>Total</b>	<b>500,000</b>	<b>1,000,000</b>	<b>5,000,000</b>

The Company did not make the required cash payment, share issuance and exploration expenditures required by December 31, 2022, and decided to abandon the Schott Lake Property on January 25, 2023. As a result of the decision, the Company impaired the carrying value of the Schotts Lake Project and recognized an impairment loss of \$201,422 in the statement of loss and comprehensive loss during the year ended June 30, 2023.

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

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### 4) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

#### **Schotts Lake Property (continued)**

During the year ended June 30, 2022, the Company made a deposit of \$60,000 which was used to offset the cost incurred by Eagle Plains. As of December 31, 2023, the balance of the remaining deposit was \$ nil (June 30, 2023 - \$23,328).

### 5) SHARE CAPITAL AND RESERVES

#### **Authorized share capital**

Unlimited number of common shares without par value.

#### **Issued share capital**

As of December 31, 2023, the Company had 48,663,401 common shares issued and outstanding (June 30, 2023 - 11,972,000) with a value of \$19,044,121 (June 30, 2023 - \$607,927).

#### **During the six months ended December 31, 2023**

- On September 27, 2023, the Company completed a non-brokered private placement of 12,270,000 common shares, which are subject to a lock-up period (see "Escrow Shares"), at a price of \$0.10 for gross proceeds of \$1,227,000. In connection with the private placement, the Company incurred share issuance costs of \$12,607.
- As discussed in Note 3, on the AVC Acquisition Closing Date, the Company issued 18,020,001 common shares with a fair value of \$14,235,801 to the shareholders of Altitude.
- On December 21, 2023, the Company completed a non-brokered private placement of 6,401,400 units at a price of \$0.50 for gross proceeds of \$3,200,700. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of \$0.70 at any time prior to December 21, 2025.

In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:

- Paid cash of \$96,460 as finders' fees;
- Issued 192,920 finders warrants with fair value of \$94,686; and
- Paid cash of \$23,554 for other expenses.

The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 3.97%, an expected life of 2 years, an expected volatility of 80% and an expected dividend yield of 0%. The finders' warrants entitle its holder to purchase one additional common share at an exercise price of \$0.50 at any time prior to December 21, 2025.

#### **During the six months ended December 31, 2022**

- On July 29, 2022, the Company issued 150,000 common shares with a fair value of \$7,500 to Eagle Plains as a share payment pursuant to the SLP Agreement (Note 4).

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

### 5) SHARE CAPITAL AND RESERVES (CONTINUED)

#### Issued share capital (continued)

##### Subsequent to December 31, 2023

- On January 8, 2024, the Company issued 1,750,000 common shares pursuant to the CLB Agreement (Note 4).
- 75,000 options were exercised for proceeds of \$7,500.

#### Escrow Shares

As discussed in Note 3, pursuant to the AVC Amalgamation Agreement, 7,220,000 of the Consideration Shares are subject to a lock-up period and will be released as follows:

	<b># of shares</b>
May 21, 2024	722,000
August 21, 2024	2,166,000
November 21, 2024	2,166,000
February 21, 2025	2,166,000
	<b>7,220,000</b>

In addition, pursuant to the AVC Amalgamation Agreement, the 12,270,000 common shares issued on September 27, 2023, are subject to a lock-up period and will be released as follows:

	<b># of shares</b>
March 27, 2024	1,227,000
June 27, 2024	3,681,000
September 27, 2024	3,681,000
December 27, 2024	3,681,000
	<b>12,270,000</b>

#### Warrants

The changes in warrants during the six months ended December 31, 2023 as follows:

	<b>Number outstanding</b>	<b>Weighted average exercise price (\$)</b>
Balance, opening	-	-
Issued	3,393,620	0.69
Balance, closing	<b>3,393,620</b>	<b>0.69</b>

No warrants were issued, exercised or expired during the six months ended December 31, 2022.

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

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(Expressed in Canadian Dollars)

### 5) SHARE CAPITAL AND RESERVES (CONTINUED)

#### **Warrants (continued)**

The following summarizes information about warrants outstanding at December 31, 2023:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Warrants outstanding</b>	<b>Estimated grant date fair value (\$)</b>	<b>Weighted average remaining contractual life (in years)</b>
December 21, 2025	0.50	192,920	94,686	1.98
December 21, 2025	0.70	3,200,700	-	1.98
		<b>3,393,620</b>	<b>94,686</b>	<b>1.98</b>
<b>Weighted average exercise price (\$)</b>		<b>0.69</b>		

- The 3,200,700 warrants with an exercise price of \$0.70 which will expire on December 25, 2025 are subject to acceleration in the event that the closing price of the common shares of the Company is greater to \$0.95 for five consecutive trading days.

#### **Stock options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants to the Company, nontransferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted, and that the options granted will have an exercise price of not less than market price and an expiry date of not more than ten years from the date of grant.

The changes in stock options during the six months ended December 31, 2023 as follows:

	<b>Number outstanding</b>	<b>Weighted average exercise price (\$)</b>
<b>Balance, opening</b>	-	-
Granted	655,000	0.10
<b>Balance, closing</b>	<b>655,000</b>	<b>0.10</b>

#### ***During the six months ended December 31, 2023***

- On September 8, 2023, the Company granted 580,000 options with an exercise price of \$0.10 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.
- On September 27, 2023, the Company granted 75,000 options with an exercise price of \$0.10 to a consultant. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

No options were issued, exercised or expired during the six months ended December 31, 2023.



**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

**5) SHARE CAPITAL AND RESERVES (CONTINUED)****Stock options**

The estimated grant date fair value of the options granted during the six months ended December 31, 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	655,000
Risk-free interest rate	4.07%
Expected annual volatility	98%
Expected life (in years)	5
Expected dividend yield	-
Grant date fair value per option (\$)	0.05
Share price at grant date (\$)	0.07

During the six months ended December 31, 2023, the Company recognized share-based payments expense arising from stock options of \$32,383 (December 31, 2022 – \$nil).

The following summarizes information about stock options outstanding and exercisable at December 31, 2023:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Estimated grant date fair value (\$)</b>	<b>Weighted average remaining contractual life (in years)</b>
September 8, 2028	0.10	580,000	580,000	28,661	4.69
September 27, 2028	0.10	75,000	75,000	3,722	4.75
		<b>655,000</b>	<b>655,000</b>	<b>32,383</b>	<b>4.70</b>
<b>Weighted average exercise price (\$)</b>		<b>0.10</b>	<b>0.10</b>		

## Canter Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

### 6) RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the six months ended December 31, 2023 and 2022:

	For the three months ended		For the six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	\$	\$	\$	\$
<b>Jones Lang, CEO and Director <sup>(1)</sup></b>				
Consulting fees	20,000	-	20,000	-
<b>Sarah Hundal, CFO</b>				
Consulting fees	4,500	4,500	9,000	9,000
Share-based payments	3,706	-	3,706	-
	<b>8,206</b>	<b>4,500</b>	<b>12,706</b>	<b>9,000</b>
<b>Eric Saderholm, Director and Technical Advisor</b>				
Consulting fees	5,254	-	5,254	-
Share-based payments	3,706	-	3,706	-
	<b>8,960</b>	<b>-</b>	<b>8,960</b>	<b>-</b>
<b>Maximillian Whiffin, Director</b>				
Share-based payments	3,706	-	3,706	-
<b>Brian Goss, Director</b>				
Share-based payments	3,706	-	3,706	-
<b>Alnesh Mohan, Director of Finance <sup>(2)</sup></b>				
Professional fees	20,800	-	20,800	-
<b>Hani Zabaneh, former CEO and Director</b>				
Consulting fees	6,500	4,500	13,000	9,000
<b>TOTAL</b>	<b>71,878</b>	<b>9,000</b>	<b>82,878</b>	<b>18,000</b>

(1) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.

(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner. Fees were paid for provision of financial reporting, accounting support and transaction support services.

As of December 31, 2023, the balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$65,898 (June 30, 2023 – \$6,225). These amounts are unsecured, non-interest bearing and payable on demand.

**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

**7) SEGMENTED INFORMATION**

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	December 31, 2023	Canada	United States
	\$	\$	\$
<b>Non-current assets</b>			
Exploration and evaluation assets	14,935,995	14,123	14,921,872
	June 30, 2023	-	-
	\$	\$	\$
<b>Non-current assets</b>			
Deposit	23,328	23,328	-
Exploration and evaluation assets	14,123	14,123	-

**8) CAPITAL MANAGEMENT**

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its 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 capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the six months ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

**9) FINANCIAL INSTRUMENTS****Fair value**

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	December 31, 2023		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
<b>FINANCIAL ASSETS</b>					
<b>ASSETS</b>					
Cash	3,771,576		-	3,771,576	-
<b>FINANCIAL LIABILITIES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	(710,448)		-	(710,448)	-
<b>FINANCIAL ASSETS</b>					
<b>ASSETS</b>					
Cash	4,279		-	4,279	-
Deposit	23,328		-	-	-
<b>FINANCIAL LIABILITIES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	(38,806)		-	(38,806)	-

The carrying values of cash, deposits, and accounts payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at December 31, 2023 and June 30, 2023, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended December 31, 2023

(Expressed in Canadian Dollars)

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**9) FINANCIAL INSTRUMENTS (CONTINUED)****Financial risk management****Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and amounts receivable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at December 31, 2023, the Company had cash of \$3,771,576 and accounts payable and accrued liabilities of \$710,488.

**Market risk**

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

**Interest Rate Risk**

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

**Canter Resources Corp.**

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

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(Expressed in Canadian Dollars)

**9) FINANCIAL INSTRUMENTS (CONTINUED)****Financial risk management (continued)****Market risk (continued)****Foreign Currency risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars (“\$” or “CA\$”). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company’s cash, amounts receivable, and accounts payable and accrued liabilities are held in CA\$, United States dollars (“US\$”) and Euro (“€”); therefore, US\$ and € accounts are subject to fluctuation against the CA\$.

The Company’s financial instruments were denominated as follows as at December 31, 2023:

	CA\$	US\$	€
Cash	3,704,980	50,274	-
Accounts payable and accrued liabilities	(334,048)	(228,964)	(50,000)
	<b>3,370,932</b>	<b>(178,690)</b>	<b>(50,000)</b>
Rate to convert to \$1.00 CA\$	1.00	1.32	1.46
<b>Equivalent to CA\$</b>	<b>3,370,932</b>	<b>(236,705)</b>	<b>(73,098)</b>

Based on the above net exposures as at December 31, 2023, and assuming that all other variables remain constant, a 10% change of the CAD against the US would change profit or loss by approximately \$31,000.

**Commodity price risk**

The Company is exposed to price risk with respect to commodity prices. The Company’s ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.