

TORR METALS INC.

Interim Financial Statements

For the three and six months ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

To the shareholders of Torr Metals Inc:

The interim financial statements of Torr Metals Inc. (the “Company”) for the three and six months ended October 31, 2023 and 2022 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

TORR METALS INC.
 Statements of Financial Position
 (Expressed in Canadian Dollars)

(unaudited)

As at	October 31, 2023	April 30, 2023
ASSETS		
Current		
Cash (note 6)	\$ 1,233,967	\$ 2,235,989
Accounts receivable (note 6)	-	867
Goods and services tax receivable	56,340	12,344
Prepays and deposits	37,416	27,769
	1,327,723	2,276,969
Non-current		
Reclamation bond	12,366	12,366
Exploration and evaluation properties (note 3, 4)	7,783,506	6,790,031
TOTAL ASSETS	\$ 9,123,595	\$ 9,079,366
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 214,100	\$ 30,846
Deferred flow-through premium liability (note 5a)	34,440	390,320
TOTAL LIABILITIES	248,540	421,166
SHAREHOLDER'S EQUITY		
Share capital (note 5a)	9,161,341	9,164,091
Option and warrant reserve (note 5b)	539,700	539,700
Accumulated deficit	(825,986)	(1,045,591)
TOTAL EQUITY	8,875,055	8,658,200
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	\$ 9,123,595	\$ 9,079,366

Nature of operations and going concern (note 1)

Approved by the Board of Directors on January 2, 2024

Director (signed by) "Malcolm Dorsey"

Director (signed by) "John Williamson"

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

(unaudited)

For the	three months ended October 31		six months ended October 31	
	2023	2022	2023	2022
Expenses				
Advertising and promotion	\$ 45,275	\$ 40,751	\$ 87,600	\$ 142,478
Management fees (note 7)	19,000	14,500	38,000	29,000
Office and administration	19,147	15,499	35,943	35,924
Professional fees	9,182	15,968	21,182	29,621
Regulatory and filing fees	3,758	4,163	5,302	7,747
Total expenses	(96,362)	(90,881)	(188,027)	(244,770)
Other income (expenses)				
Interest income	24,206	27,961	51,752	47,158
Settlement of flow-through liability (note 5a)	327,180	106,466	355,880	164,129
Comprehensive income (loss) for the period	\$ 255,024	\$ 43,546	\$ 219,605	\$ (33,483)
Basic and diluted income (loss) per common share				
	\$ 0.01	\$ 0.00	\$ 0.01	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	35,931,294	35,525,799	35,931,294	35,729,655

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.
 Statements of Changes in Equity
 (Expressed in Canadian Dollars)

(unaudited)

	Number of shares	Share capital	Option and warrant reserve	Accumulated deficit	Total shareholder's equity
Balance at April 30, 2022	31,831,294	\$ 8,441,267	\$ 560,558	\$ (960,524)	\$ 8,041,301
Shares issued for cash (note 5a)	4,100,000	1,353,000	-	-	1,353,000
Share issuance costs (note 5a)	-	(47,083)	-	-	(47,083)
Deferred flow-through premium liability	-	(574,000)	-	-	(574,000)
Cancellation of expired broker warrants	-	-	-	-	-
Net loss	-	-	-	(33,483)	(33,483)
Balance at October 31, 2022	35,931,294	\$ 9,173,184	\$ 560,558	\$ (994,007)	\$ 8,739,735
Share issuance costs (note 5a)	-	(9,093)	-	-	(9,093)
Cancellation of expired broker warrants	-	-	(20,858)	20,858	-
Net loss	-	-	-	(72,442)	(72,442)
Balance at April 30, 2023	35,931,294	\$ 9,164,091	\$ 539,700	\$(1,045,591)	\$ 8,658,200
Share issuance costs (note 5a)	-	(2,750)	-	-	(2,750)
Net income	-	-	-	219,605	219,605
Balance at October 31, 2023	35,931,294	\$ 9,161,341	\$ 539,700	\$ (825,986)	\$ 8,875,055

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.
 Statements of Cash Flows
 (Expressed in Canadian Dollars)

(*unaudited*)

For the six months ended	October 31, 2023	October 31, 2022
Cash provided by (used in):		
Operating activities		
Net income for the period	\$ 219,605	\$ (33,483)
Items not affecting cash:		
Settlement of deferred flow-through premium liability	(355,880)	(164,129)
	<u>(136,275)</u>	<u>(197,612)</u>
Changes in non-cash working capital:		
Goods and services tax receivable	(42,262)	(59,653)
Accounts receivable and prepayments	(10,515)	(28,442)
Accounts payable and accrued liabilities	1,872	(110,829)
	<u>(187,180)</u>	<u>(396,536)</u>
Cash used in operating activities		
	<u>(187,180)</u>	<u>(396,536)</u>
Investing activities		
Exploration and evaluation property acquisition expenditures (note 4)	(84,418)	(299)
Exploration and evaluation property exploration expenditures (note 4)	(727,674)	(1,240,484)
Purchase of reclamation bond	-	(12,381)
	<u>(812,092)</u>	<u>(1,253,164)</u>
Cash used in by investing activities		
	<u>(812,092)</u>	<u>(1,253,164)</u>
Financing activities		
Proceeds from private placements (note 5a)	-	1,353,000
Share issuance costs	(2,750)	(47,083)
	<u>(2,750)</u>	<u>(47,083)</u>
Cash provided by financing activities		
	<u>(2,750)</u>	<u>1,305,917</u>
Net increase (decrease) in cash	(1,002,022)	(343,783)
Cash, beginning of period	<u>2,235,989</u>	<u>3,148,590</u>
Cash, end of period	\$ 1,233,967	\$ 2,804,807

As at October 31, 2023, \$181,381 (2022 - \$161,288) exploration and evaluation property expenditures are included in accounts payable and accrued liabilities.

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.

Notes to the Interim Financial Statements

For the three and six months ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Torr Metals Inc. ("Torr" or the "Company") was incorporated under the Business Corporations Act (Alberta) on July 18, 2018 and continued its corporate existence from Alberta to British Columbia under the British Columbia Business Corporation Act. On November 26, 2021, the Company completed its Qualifying Transaction ("QT") pursuant to the policies of the TSX Venture Exchange ("TSXV") to acquire an aggregate 100% interest in the Latham Copper-Gold Project in northern British Columbia. Concurrent with the QT, the Company changed its name from Duro Metals Inc. to Torr Metals Inc. and now trades under the symbol "TMET" on the TSXV.

On April 30, 2022, the Company completed a vertical short-form amalgamation pursuant to the Business Corporations Act with its wholly owned subsidiary 1306043 B.C. Ltd. ("130"). Pursuant to the Amalgamation, the resulting amalgamated company has adopted the name "Torr Metals Inc.", maintained the same Articles and management as the Company, issued no securities, the symbol "TMET" and the CUSIP remains the same.

The Company's principal business is the identification, acquisition, exploration and evaluation of mineral properties. The Company's head office is at Suite 780, 1111 West Hastings Street, Vancouver, BC, V6E 2J3.

While these financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations for the foreseeable future, there are significant uncertainties related to certain adverse conditions and events that may cast doubt on the validity of this assumption. As at October 31, 2023, the Company had working capital of \$1,079,183 (April 30, 2023 - \$1,855,803) and an accumulated deficit of \$825,986 (April 30, 2023 - \$1,045,591). The Company anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Basis of presentation

Statement of compliance with International Financial Reporting Standards

These interim financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These interim financial statements were authorized for issue by the Board of Directors of the Company on January 2, 2024.

These interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

3. Acquisition of 1306043 BC Ltd.

On November 26, 2021, the Company executed an amalgamation agreement (the "Agreement") with 1306043 BC Ltd. ("130 BC") which provided for the transfer all of 130 BC's issued and outstanding shares to Torr, in exchange for the issuance of 22,106,867 common shares of Torr and 2.0% net smelter returns royalty from any production of the Dalvenie Property. As a result of this transaction, 130 BC. became a wholly owned subsidiary and Torr acquired a 100% interest in the Dalvenie and Hu Properties.

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Due to the fact that the 130 BC is an exploration stage, with no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the project. Consequently, the Company has accounted for its acquisition of 130 BC as an asset acquisition, whereby acquired assets and liabilities assumed are measured at their fair values at the acquisition date unless they are not readily measurable, in which case the fair value of the share-based payments and other consideration is used. No goodwill is recognized; and acquisition-related costs are capitalized to the assets.

The amounts shown below represent relative fair value of net assets on the effective date of the Agreement, which was November 26, 2021.

Purchase consideration:

Shares issued in exchange for 130 BC Shares (i)	\$ 6,632,060
Warrants issued in exchange for 130 BC warrants (ii)	<u>16,393</u>
	<u>\$ 6,648,453</u>

Assets acquired:

Cash	\$ 2,732,060
Other current assets	867
Mineral interest - Dalvenie and Hu properties (note 4)	<u>4,049,190</u>
	6,782,117

Less: liabilities assumed:

Transaction costs	(113,771)
Accounts payable and accrued liabilities	<u>(19,893)</u>

Total Purchase consideration **\$ 6,648,453**

(i) For accounting purposes, the common shares issued were recorded at \$0.30 per common share, representing the Company's share price on the date of issuance.

(ii) The Company issued warrants in exchange for 130 BC warrants with an estimated fair value of \$16,393 (note 5).

Subsequent to the acquisition, the Company amalgamated with 1306043 BC Ltd. on April 30, 2022 (note 1).

4. Exploration and evaluation properties

On November 26, 2021, the Company completed its Qualifying Transaction (the "QT") by acquiring the British Columbia mineral claims known as the Hu Property and Dalvenie Property, by way of an acquisition transaction of 1306043 BC Ltd. (note 3). Immediately after the acquisition, the Company acquired mineral claims known as the Gnat claims. Together, the consolidated Gnat Claims, Hu Property and Dalvenie Property are now known as the Latham Copper-Gold Project, a mineral exploration property comprised of 41 mineral claims totaling 49,694 hectares in northern British Columbia. To acquire the Dalvenie and Hu claims the Company acquired 1306043 BC Ltd., by issuing 22,106,867 shares in a share exchange (note 3).

To acquire the Gnat claims, the Company paid \$100,000 cash to the vendor and issued 400,000 common shares of the Company at a deemed price of \$0.30 per share for a total consideration of \$220,000. The vendor retains a 2% net smelter royalty.

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Crown Grants Acquisition

On April 12, 2022, the Company acquired 13 undersurface crown grants for total cash consideration of \$25,000 plus the cost of transferring the title of the undersurface Crown Grants to the Company. No finder's fees were paid in connection with the Acquisition.

Kolos Copper-Gold Project

On September 25, 2023, the Company acquired the Kolos Copper-Gold project through staking for cash consideration of \$24,168. The mineral exploration property totals 13,957 hectares located in south central British Columbia.

Filion-Gold Project

On October 26, 2023, the Company acquired the Filion Gold project through staking for cash consideration of \$60,250. The mineral exploration property totals 26,076 hectares located in norther Ontario.

Total costs incurred by the Company on its exploration properties are summarized as follows:

	Latham	Kolos	Filion Gold	Total
Acquisition Costs				
Balance, April 30, 2023	\$ 4,612,074	\$ -	\$ -	\$ 4,612,074
Staking Claims	-	24,168	60,250	84,418
Balance, October 31, 2023	4,612,074	24,168	60,250	4,696,492
Exploration Costs				
Balance, April 30, 2023	2,177,957	-	-	2,177,957
Airborne survey	-	262,763	-	262,763
Assay and analysis	67,127	-	13,699	80,826
Community relations	48,113	7,765	-	55,878
Drilling	14,000	-	-	14,000
Fieldwork supplies	1,106	583	1,900	3,589
Freight	1,884	486	33	2,403
General and administrative	15,848	-	3,144	18,992
Geological consulting	139,506	131,541	30,635	301,682
Permits	500	-	-	500
Rentals	6,535	11,130	2,454	20,119
Travel and support	88,156	38,871	21,278	148,305
Balance, October 31, 2023	2,560,732	453,139	73,143	3,087,014
Total E&E Assets, October 31, 2023	\$ 7,172,806	\$ 477,307	\$ 133,393	\$ 7,783,506

During the six months ended October 31, 2023, the Company spent \$727,674 (April 30, 2023 - \$1,719,224) on mineral property exploration expenditures and \$84,418 (April 30, 2023 - \$299) on mineral property acquisition expenditures.

5. Share capital

On November 26, 2021, immediately prior to the QT, the Company consolidated all its issued and outstanding common shares based on one post-consolidation common share for every 1.4538 pre-consolidation common shares. All share data and equity-based instruments have been retroactively adjusted to give effect to the consolidation.

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

	<u>Number of shares</u>	<u>Amount</u>
Balance at April 30, 2023	35,931,294	\$ 9,164,091
Share issuance cost	-	(2,750)
Balance at October 31, 2023	35,931,294	\$ 9,161,341

Flow-through financing

On May 10, 2022, the Company completed a flow-through financing by issuing 4,100,000 post-consolidated flow through shares at a price of \$0.33 per share for gross proceeds \$1,353,000 and recognized a deferred flow-through premium of \$574,000 as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at October 31, 2023, the Company has incurred \$1,263,923 of eligible exploration expenditures relating to these flow-through shares. As a result, the amount of \$539,560 in connection with the settlement of the flow-through liability was recognized in other income. No finders fees were paid in connection with the financing.

Escrowed Common Shares

Pursuant to the closings of the Company's initial public offering ("IPO") and Qualifying Transaction, 2,242,395 of the Company's outstanding common shares are subject to a CPC Escrow Agreement and 12,666,667 are subject to a Tier 2 Value Security Escrow Agreement. Under these agreements, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 6,709,078 common shares remained in escrow.

b) Warrants

The Following is a summary of the changes in the Company's warrants during the periods:

	<u>Number of Warrants</u>	<u>Weighted average exercise price</u>
Outstanding warrants, April 30, 2023 and October 31, 2023	4,720,100	\$ 0.45

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A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	October 31, 2023			Exercise Price	April 30, 2023		
	Number of warrants	Remaining contractual life (years)			Number of warrants	Remaining contractual life (years)	
\$ 0.45	4,720,100	0.1		\$ 0.45	4,720,100	0.6	i
\$ 0.45	4,720,100	0.1		\$ 0.45	4,720,100	0.6	

i On November 26, 2021, as part of the QT, the Company acquired 4,720,100 warrants from 1306043 BC Ltd.

c) Stock options

The Company has a stock option plan (the “Plan”) for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock options outstanding and exercisable is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding options, April 30, 2023 and October 31, 2023	2,733,250	\$ 0.28

A summary of the options outstanding and exercisable is as follows:

Exercise Price	October 31, 2023			Exercise Price	April 30, 2023		
	Number of options	Remaining contractual life (years)			Number of options	Remaining contractual life (years)	
\$ 0.18	433,250	1.4		\$ 0.18	433,250	1.9	
0.30	2,300,000	3.4		0.30	2,300,000	3.9	
\$ 0.28	2,733,250	3.1		\$ 0.28	2,733,250	3.6	

6. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - 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

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(Expressed in Canadian Dollars)

- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash are classified as Level 1, whereas accounts receivable, and accounts payable and accrued liabilities are classified as Level 2. As at October 31, 2023, the Company believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2023, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

TORR METALS INC.

Notes to the Interim Financial Statements

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(Expressed in Canadian Dollars)

7. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the six months ended	October 31, 2023	October 31, 2022
Management fees paid to key management and directors	\$ 38,000	\$ 29,000
Capitalized consulting fees paid to key management	48,000	48,000
Investor relations fees paid to a director	66,000	66,000
Rent fees paid to a corporation controlled by key management	20,100	20,100
	<u>\$ 172,100</u>	<u>\$ 163,100</u>