

CANADIAN CRITICAL MINERALS INC.

INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE SIX MONTHS ENDED November 30, 2023

CANADIAN CRITICAL MINERALS INC.
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim unaudited condensed consolidated financial statements of Canadian Critical Minerals Inc. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice of no auditor review of interim financial statements:

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

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT

	<i>Note</i>	November 30 2023	May 31 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	\$ 2,673,902	\$ 2,773,389
Unprocessed ore		5,039,144	5,039,144
Mineral properties	5	2,802,166	4,186,858
Deposits	6	534,706	994,660
Deferred tax asset		1	1
Total non-current assets		11,049,919	12,994,052
Current assets			
Work in progress		22,384	-
Prepays and deposits	6	227,586	106,971
Accounts receivable and harmonized sales tax	7	15,591	269,608
Cash and cash equivalents		143,944	605,926
Total current assets		409,505	982,505
Total assets		\$ 11,459,424	\$ 13,976,557
EQUITY AND LIABILITIES			
Equity			
Share capital	8	\$ 24,649,422	\$ 24,371,402
Warrants	8	2,697,507	3,772,873
Contributed surplus		8,122,293	6,766,797
Deficit		(27,343,613)	(26,525,684)
Total Equity		8,125,609	8,385,388
Going concern	1		
Commitments and contingencies	12		
Events after reporting period	13		
Non-current liabilities			
Due to related party	9	1,401,396	1,428,009
Flow through share premium		-	58,600
Decommissioning obligations	11	117,364	201,025
Total non-current liabilities		1,518,760	1,687,634
Current liabilities			
Accounts payable and accrued liabilities		1,175,058	1,952,417
Current portion of due to related party	9	600,000	450,000
Current portion of loans payable	10	38,560	1,493,441
Current portion of government grants	10	1,439	7,678
Total current liabilities		1,815,057	3,903,536
Total liabilities		3,333,817	5,591,170
Total equity and liabilities		\$ 11,459,425	\$ 13,976,558

Approved on behalf of the Board on January 24, 2024:

Signed: "Gestur Kristjansson"

Signed: "Ian Berzins"

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED UNAUDITED STATEMENTS OF INCOME (LOSS)
AND COMPREHENSIVE INCOME (LOSS)
FOR THE SIX MONTHS ENDED November 30, 2023 AND 2022

		November 30		6 Months Ended	
	<i>Note</i>	2023	2022	November 30	November 30
				2023	2022
Revenue		- \$	27,423 \$	- \$	30,134
Expenses					
Marketing and advertising		4,224 \$	(11,778) \$	4,913 \$	1,976
Consulting fees		106,348	138,021	217,585	245,838
Amortization	4	49,473	58,647	99,488	117,938
Accretion	11	6,557	6,734	14,013	13,244
Administrative expenses		60,302	75,458	148,922	166,347
Professional fees		98,269	53,439	110,977	78,746
Salaries and wages		30,681	43,947	55,035	97,587
Supplies and maintenance		60,912	57,237	119,115	115,109
Mining exploration and development expenses	5	98,452	141,998	701,486	295,311
Share based compensation	8	-	31,839	208,150	31,839
Interest expense	9,10	157,284	106,416	246,345	265,245
Expenses		672,502 \$	701,958	1,926,029	1,429,180
Other (income) expenses		(3,815)	(2,149)	(42,042)	(4,318)
Gain on modification of related party debt	9	-	-	-	(3,749,380)
Loss on modification of long term debt		-	-	-	114,966
(Gain) loss on sale of assets	5	(1,002,597)	-	(1,002,597)	-
Foreign exchange (gain) loss		7,488	39,688	(177)	66,865
Interest income		(1,825)	(6,148)	(4,684)	(8,863)
Net income (loss)		328,247 \$	(705,926) \$	(876,529) \$	2,181,684
Deferred income tax recovery		(11,600)	(83,500)	(58,600)	(93,500)
Net income (loss) and comprehensive income					
(loss) for the period		339,847	(622,426) \$	(817,929)	2,275,184
Net income (loss) per share		0.001 \$	(0.003) \$	(0.003)	0.010
Weighted average outstanding shares		257,186,016	231,529,185	256,306,235	229,789,107

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

CANADIAN CRITICAL MINERALS INC.

CONSOLIDATED UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED November 30, 2023 AND 2022

	Note	Share Capital		Warrants		Contributed		Total
		Common Shares		Number	Amount	Surplus	Deficit	
		Number	Amount					
Balance, May 31 , 2022		225,848,159	\$ 23,349,839	86,395,106	\$ 3,501,600	\$ 6,393,354	\$ (27,978,877)	\$ 5,265,916
Shares issued for cash		2,538,857	185,650					185,650
Flow-through share issue for cash		10,650,000	896,000					896,000
Flow-through share premium			(163,250)					(163,250)
Fair value of warrants			(279,058)	10,987,857	\$ 279,058	-		-
Share issue costs						31,839		31,839
Share issue costs			(87,644)	701,500	28,885			(58,759)
Net income and comprehensive income							2,275,184	2,275,184
Balance, November 30, 2022		239,037,016	\$ 23,901,537	98,084,463	\$ 3,809,543	\$ 6,425,193	\$ (25,703,693)	\$ 8,432,580
Balance, May 31 , 2023		250,186,016	\$ 24,371,402	102,422,130	\$ 3,772,873	\$ 6,766,797	\$ (26,525,684)	\$ 8,385,388
Shares issued for cash	8	7,000,000	350,000					350,000
Warrants expired unexercised	8			(38,068,884)	(1,147,346)	1,147,346		-
Share based compensation	8	-	-			208,150		208,150
Fair value of warrants	8		(71,980)	7,500,000	71,980			-
Net loss and comprehensive loss							(817,929)	(817,929)
Balance, November 30, 2023		257,186,016	\$ 24,649,422	71,853,246	\$ 2,697,507	\$ 8,122,293	\$ (27,343,613)	\$ 8,125,609

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

CANADIAN CRITICAL MINERALS INC.
CONSOLIDATED UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED November 30, 2023 AND 2022

<i>Note</i>	November 30 2023	November 30 2022
Cash flows from operating activities		
Net income (loss) for the period	\$ (817,929)	\$ 2,275,184
Add back/Deduct non-cash expenses/(income)		
Amortization	4 99,488	117,938
Accretion	11 14,013	13,244
Share based compensation	8 208,150	31,839
Other income - Government grant	10 (6,239)	(9,498)
Interest accrued	9,10 246,345	176,885
Deferred income tax recovery	(58,600)	(93,500)
Unrealized foreign exchange loss	10 (16)	60,291
Loss on modification of long term debt	-	114,966
Gain on modification of related party debt	9 -	(3,749,350)
(Gain) loss on sale of assets	5 (1,002,597)	-
Net changes in working capital balances		
Work in progress	(22,384)	-
Accounts receivable and harmonized sales tax	238,555	153,448
Prepays and deposits	(57,916)	(26,256)
Accounts payable and accrued liabilities	60,121	373,226
Cash flows used in operating activities	(1,099,008)	(561,583)
Cash flows from investing activities		
Cash received on sale of mineral properties	1,824,027	-
Cash provided by financing activities	1,824,027	-
Cash flows from financing activities		
Issue of common shares and warrants, net of costs	8 350,000	1,022,891
Loans payable	(1,537,000)	-
Cash provided by financing activities	(1,187,000)	1,022,891
Net change in cash	(461,982)	461,308
Cash, beginning of period	605,926	117,744
Cash, end of period	\$ 143,944	\$ 579,052
Interest paid	237,000	91,148

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(In Canadian dollars)

1. **REPORTING ENTITY AND GOING CONCERN**

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the six months ended November 30, 2023 had net loss of \$817,929 has a cumulative deficit of \$27,343,613 and used cash flow in operating activities of \$1,099,008. At November 30, 2023, the Company, has a working capital deficit of \$1,405,522. The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties. In addition, the Company has certain commitments (note 12) and debt maturities (note 10, 13).

The Company will have to raise significant additional funds to advance its exploration and development activities and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Further, the Company's continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Canadian Critical Minerals Inc. (the "Company") (formerly Braveheart Resources Inc.) is an exploration stage company engaged in locating, acquiring and exploring for base and precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol CCMI as well as the OTCQB Venture Market in the United States, having the symbol RIINF, and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019, the Company acquired all of the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these consolidated financial statements include the operating results of Purcell and its subsidiaries (Bull River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.) from the date acquired.

On December 22, 2020, the Company acquired all shares of Cadillac Ventures Holdings Inc. and on January 26, 2021 Cadillac Ventures Holdings Inc. changed its name to Pickle Lake Minerals Inc. (Pickle Lake). These consolidated financial statements include the operating

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results of Pickle Lake from the date of acquisition. On November 1, 2023, the Company sold 61% of its investment in in Pickle Lake as further discussed in Note 5.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

The interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended May 31, 2023.

The policies applied in these interim unaudited condensed financial statements are consistent with the policies disclosed in Notes 2, 3, and 4 of the audited annual consolidated financial statements for the year ended May 31, 2023.

Note 9 discusses conversion of related party loan to a royalty. The Company's accounting policy with respect to royalty expense recognition is consistent with underlying revenue recognition policies.

The Company recognizes royalty expenses consistent with its revenue recognition policy to depict the transfer of the relevant commodity to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those commodities. Revenue recognition occurs when control of the relevant commodity is transferred to the end customer. Revenue and related royalty expenses are measured at the fair value of the consideration received or receivable when management can reliably estimate the amount. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on January 24, 2024.

2.2 Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of Canadian Critical Minerals Inc. and its wholly-owned subsidiaries, Pickle Lake Minerals Inc. (until November 1, 2023) and Purcell Basin Minerals Inc., a company incorporated in British Columbia and its wholly-owned subsidiaries Bul River Mineral Corporation, Gallowai Metal Mining Corporation, and Grand Mineral Corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

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2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items are stated at fair value.

3. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

credit risk
liquidity risk
interest rate risk
price risk
commodity price risk
foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables

Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

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(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used for operations, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1.

The interim unaudited condensed consolidated financial statements for the quarter ended November 30, 2023 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Braveheart's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Loans payable are variable interest rate and the majority settled on November 1, 2023 (see note 13).

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

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(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars. Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at $\pm 10\%$ are "reasonably possible" over a one year period:

As at November 30, 2023, the Company had nil in loan liability and \$4,730 in cash denominated US Dollar foreign currency. See note 13 for discussion of settlement of US dollar denominated debt.

(b) Price risk is remote since the Company is a non-producing entity.

Capital risk management

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position. (See note 1)

There were no changes to the Company's approach to capital management during the year, as compared to the prior year.

4. PLANT AND EQUIPMENT

November 30, 2023	Cost	Accumulated amortization	Net book value
Buildings	\$2,486,494	(603,751)	\$1,882,743
Equipment	1,109,067	(317,908)	\$ 791,159
Total	\$3,595,561	(921,659)	\$2,673,902

May 31, 2023	Cost	Accumulated amortization	Net book value
Buildings	\$2,486,494	(541,418)	\$1,945,076
Equipment	1,109,067	(280,754)	\$ 828,313
Total	\$3,595,561	(822,172)	\$2,773,389

Amortization rates based on estimated useful lives of 20 years for Building and 10-20 years for Equipment. The year ended May 31, 2023 and August 31, 2023 includes \$368,000 of flotation cell work-in-process equipment. The buildings and equipment are attributable to the Bull River mine.

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5. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSET

On October 30, 2023 Pickle Lake Minerals Inc. changed its name to Cuprum Corp. and on November 1, 2023 the Company sold 61% interest in Cuprum Corp. as follows:

- 45% interest for: \$1,350,000 in cash from OreCap Investment Corp applied to Ocean \$1 million USD debt
- 6% for \$187,000 accrued interest to Ocean Partners for - accrued interest settlement.
- 10% for \$300,000 cash from QC Copper.

Other terms include, from Cuprum Corp:

- 3,000,000 share purchase warrants of Cuprum Corp. of which:
 - 1,000,000, with an exercise price of \$0.10 per common share, exercisable for one year
 - 1,000,000, with an exercise price of \$0.15 per common share, exercisable for two years
 - 1,000,000, with an exercise price of \$0.20 per common share, exercisable for three years
- from Cuprum Corp. a \$500,000 bonus conditional on future reporting by Cuprum Corp. of a near surface NI-43-101 report with 100 million tonnes and/or 1 billion pounds of copper; and a \$250,000 further bonus with 150 million tonnes and/or 1.5 billion pounds of copper.

The Company no longer controls Cuprum Corp and therefore effective November 1, 2023 has not consolidated the operating results of Cuprum. The Company realized a \$1,002,597 gain on sale of 61% of Cuprum Corp. Cuprum was recapitalized with 60 million shares outstanding, issued at \$0.05 for a \$3 Million capitalization. See also Note 13 for subsequent Cuprum activity.

Mineral Properties

	May 31, 2023	Disposal	November 30, 2023
Purcell	\$ 2,020,677	\$ -	\$ 2,020,677
Thierry	2,166,181	1,384,692	781,489
	<u>\$ 4,186,858</u>	<u>\$1,384,692</u>	<u>\$ 2,802,166</u>

Mining Exploration Expenses

	For the Period Ended November 30, 2023	For the Year Ended May 31, 2023
Purcell	56,155	361,040
Thierry	645,331	60,425
	<u>\$ 701,486</u>	<u>\$ 421,465</u>

The BC Mining Exploration Tax Credit (BCMETS) is a 30% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC.

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6. DEPOSITS AND PREPAIDS

	November 30, 2023	May 31, 2023
Restricted deposits	\$ 534,706	\$ 994,660
Advances and prepaids	227,586	106,971
Deposits and prepaid	\$ 762,292	\$ 1,101,631
Current portion	227,586	106,971
	<u>\$ 534,706</u>	<u>\$ 994,660</u>

Restricted deposits are held in Canadian banks as required by British Columbia Ministry of Energy, Mines and Low Carbon Innovation for Purcell and the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry for Thierry.

7. HARMONIZED SALES TAX AND OTHER RECEIVABLES

	November 30, 2023	May 31, 2023
BC Mining Exploration Tax Credit	\$ -	\$ 231,501
Trade Accounts receivable	14	4,130
Harmonized sales tax	15,577	33,977
	<u>\$ 15,591</u>	<u>\$ 269,608</u>

8. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

Authorized and issued

Number of shares

	November 30, 2023	May 31, 2023
Common shares, beginning of year	250,186,016	225,848,159
Issued for cash - shares (ii)(iii)(vi)	7,000,000	2,537,857
Issued for trade payables (v)	-	1,650,000
Issued for flow-through share (i)(iii)(iv)	-	20,150,000
Common shares	<u>257,186,016</u>	<u>250,186,016</u>
Opening	\$ 24,371,402	\$ 23,349,839
Issued for cash - shares(ii) (iii)(vi)	350,000	185,650
Issued for trade payables (v)	-	115,500
Issued for flow-through share (i)(iii)(iv)	-	1,656,000
Flow-through share premium	-	(210,750)
Share issue costs (i)(iii)	-	(174,844)
Fair value of warrants (i)(ii)(iii)	(71,980)	(549,993)
	<u>\$ 24,649,422</u>	<u>\$ 24,371,402</u>

- (i) On July 27, 2022 the Company issued 4,400,000 units at \$0.09 per unit for \$396,000. Each unit is comprised of one flow through common share and one-half warrant. Each warrant is exercisable

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into a common share at a price of \$0.135 per share for a period of 24 months from offering. Commissions totaling \$23,760 and 264,000 finders fees warrants were issued exercisable into a common share at a price of \$0.09 per share until July 26, 2024.

- (ii) On August 11, 2022 the Company issued 937,857 units at \$0.07 per unit for \$65,650. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of \$0.105 per share for a period of 24 months from offering.
- (iii) On November 18, 2022 the Company issued 1,600,000 units at \$0.075 and 6,250,000 flow through units at \$0.08 per unit for \$620,000. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of \$0.1125 per share for a period of 36 months from offering. Each flow through share consists of one common share and one common share purchase warrant that is exercisable into a common share at \$0.12 per share for a period of 36 months. Commissions totaling \$35,000 and 437,500 finders fees warrants were issued exercisable into a common share at a price of \$0.08 per share until November 17, 2025.
- (iv) On December 28, 2022 the Company issued 9,500,000 flow through units at \$0.08 per unit for \$760,000. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of \$0.12 per share for a period of 36 months from offering. Commissions totaling \$53,200 and 665,000 finders fees warrants were issued exercisable into a common share at a price of \$0.08 per share until December 28, 2025.
- (v) On March 7, 2023 1,650,000 shares were issued as payment for outstanding trade payables.
- (vi) On June 19, 2023 the Company issued 7,000,000 units at \$0.05 per unit for \$350,000. Each Unit is to consist of one Common Share and one common share purchase warrant, which warrant shall be comprised of (i) one-half of one warrant, with a full warrant exercisable into one common share at an exercise price of \$0.075 for a period of 24 months, and (ii) one-half of one warrant, with a full warrant exercisable into one warrant share at an exercise price of \$0.10 for a period of 24 months.

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Warrants

The following table summarizes warrants that have been issued, exercised or have expired:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2022	86,395,106	\$ 0.140
Issued	3,401,857	0.090
Issued	6,250,000	0.120
Issued finders fees warrants	437,500	0.080
Issued	1,600,000	0.115
Issued	9,500,000	0.120
Issued finders fees warrants	665,000	0.080
Expired	(3,062,115)	0.150
Expired	(2,765,218)	0.140
Balance, May 31, 2023	102,422,130	\$ 0.130
Issued	3,750,000	0.100
Issued	3,750,000	0.075
Expired	(7,323,130)	0.140
Expired	(20,745,754)	0.110
Expired	(10,000,000)	0.100
Balance, November 30, 2023	71,853,246	\$ 0.150

At November 30, 2023, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price	Expiry date
60,000	0.075	February 15, 2024
11,016,667	0.1175	February 16, 2024
27,200,000	0.20	March 16, 2024
2,200,000	0.135	July 26, 2024
264,000	0.09	July 26, 2024
937,857	0.0105	August 11, 2024
2,000,000	0.1688	August 6, 2025
2,222,222	0.185	September 1, 2025
6,250,000	0.120	November 18, 2025
437,500	0.08	November 18, 2025
1,600,000	0.1125	November 18, 2025
9,500,000	0.12	December 28, 2025
665,000	0.08	December 28, 2025
3,750,000	0.100	June 15, 2025
3,750,000	0.075	June 15, 2025
71,853,246	0.150	

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants

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with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. A continuity of stock options are presented as follows:

	Number of Options	Weighted Average Exercise Price
Balance May 31, 2022	19,760,556	\$ 0.10
Issued	500,000	0.075
Balance May 31, 2023	20,260,556	\$ 0.10
Expired	(7,360,556)	0.16
Issued	9,850,000	0.05
Balance November 30, 2023	22,750,000	\$ 0.074

The following table summarizes information about stock options outstanding and exercisable at August 31, 2023 following the consolidation adjustment:

Date of Grant	Number of Outstanding at May 31, 2023	Exercise Price	Date of Expiry	Number of Exercisable at November 30, 2023
October 22, 2020	2,350,000	\$ 0.10	October 30, 2025	2,350,000
April 8, 2021	3,950,000	\$ 0.10	April 8, 2026	3,950,000
June 16, 2021	500,000	\$ 0.105	June 16, 2026	500,000
October 22, 2020	700,000	\$ 0.10	October 30, 2026	700,000
February 16, 2022	3,050,000	\$ 0.075	February 16, 2027	3,050,000
April 8, 2021	1,000,000	\$ 0.10	April 8, 2027	1,000,000
October 4 2022	500,000	\$ 0.075	October 4 2027	500,000
February 16, 2022	850,000	\$ 0.075	February 16, 2028	850,000
July 20, 2023		\$ 0.050	July 20, 2026	9,850,000
	12,900,000			22,750,000

The Company provides compensation to directors, employees and consultants in the form of stock options.

On October 4, 2022 the Company granted 500,000 options at a strike price of \$0.075 and an expiry date of five years to officers, directors, employees and consultants. The fair value of \$31,839 for the 500,000 stock options granted of \$0.08 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 0.0338%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 124%.

On July 19, 2023 the Company granted 9,850,000 options at a strike price of \$0.05 and an expiry date of three years to officers, directors, employees and consultants. The fair value of \$208,150 for the 9,850,000 stock options granted of \$0.02 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 3.96%, expected life of 3 years and historical volatility was used for calculation of expected volatility of 107%.

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9. RELATED PARTY LOAN AND CONVERSION TO ROYALTY

On June 29, 2022 the Company completed a Loan Conversion Agreement with Matlock Farms Ltd., a related party, owned by a director of the Company.

Principal plus accrued interest converted into a 3% net smelter royalty ("NSR") on the Bull River Mine project. The NSR is capped at a maximum of \$6,750,000 ("Maximum NSR"). The Company will make semi-annual payments on or before June 30th and December 31st of each year of \$150,000 as advance payments against the NSR and such payments shall be deducted against NSR.

Upon satisfaction of the Maximum NSR Payment, the royalty rate under the NSR shall be reduced from 3% to 0.25%. The 0.25% NSR can be purchased by the Company at any time for \$1,000,000.

The required semi-annual non-interest bearing payments of \$150,000 component of the agreement continues to be recorded by the Company as related party loan, valued on date of conversion at its estimated fair value using 15% as the Company's cost of capital. The Company recognized a gain on conversion of the remaining loan balance to a royalty of \$3,749,380.

	Period Ended November 30, 2023	Year Ended May 31, 2023
Loan balance beginning of period	\$ 1,878,009	\$ 5,334,102
Interest payments	-	-
Gain on renegotiation of terms and share settlement	-	(3,749,380)
Accrued interest during the period	123,387	293,287
	<u>2,001,396</u>	<u>1,878,009</u>
Less current portion	(600,000)	(450,000)
	<u>\$ 1,401,396</u>	<u>\$ 1,428,009</u>

10. LOANS PAYABLE

	November 30, 2023	May 31, 2023
Loans payable		
CEBA Loans	\$ 38,560	\$ 75,880
Ocean - Stockpile loan	-	1,417,561
	<u>38,560</u>	<u>\$ 1,493,441</u>
Less current portion	38,560	(1,493,441)
	<u>\$ -</u>	<u>-</u>

CEBA Loans payable

On April 20, 2020, the Company received a \$40,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of \$30,000 by the due date will result in \$10,000 forgiveness.

On December 21, 2020 an additional \$20,000 interest free loan due December 2023 supported by

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the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of \$10,000 by the due date will result in \$10,000 forgiveness.

During the Thierry acquisition the Company assumed a \$60,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of \$40,000 by the due date will result in \$20,000 forgiveness.

CEBA Loans	November 30, 2023		May 31, 2023	
Beginning of period	\$	75,880	\$	69,373
Interest		3,503		6,507
Change on control – non-consolidation of Thierry		(40,823)		-
		38,560	\$	75,880

Government grants	November 30, 2023		May 31, 2023	
Beginning of period	\$	7,678	\$	24,244
Amortization		(6,239)		(16,566)
		1,439		7,678
Less current portion		1,439		(7,678)
	\$	-		-

Government Grants are amortized on a straight line basis, assuming repayment in January 18, 2024 to achieve forgiveness. The CEBA loan payable of \$40,000 was not made so the loan will be \$60,000 and interest bearing with government forgiveness forfeit.

Ocean debt - Stockpile loan

On March 17, 2021, the Company entered into a Concentrate Purchase Agreement with Ocean Partners UK Ltd. (Ocean) for the sale of its copper concentrates (with gold and silver credits) from its Bull River Mine. Additionally, Ocean has agreed to provide the Company with a Pre-Payment Financing Facility against initial proceeds from milling of mineralized material on surface. The Company is required to deliver 45,000 wet metric tonnes of copper concentrate. Ocean shall have a right of first refusal on any remaining production thereafter from Bull River. Interest on any amounts drawn is at 12-month LIBOR plus 8.75%. The Ocean debt is secured by Bull River mining assets. Blended interest and principle repayments to commence in March 2022.

On March 13, 2021, the Company made an initial draw of \$1,248,181 (USD \$1,000,000) net of arrangement fees and expenses associated with lender due diligence and legal fees.

The Company may access up to USD \$3,500,000 subject to certain conditions, which can be used for capital expenditures at Bull River including plant commissioning and general working capital purposes. Further advances require:

- provide lender with independently verified mining financial plan with adequate equity raises.
- Government permit to operate the mine to be issued by December 31, 2021.
- the fair market value of tangible property is in excess of all debts and the Company is solvent,

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paying debts as they come due.

On December 6, 2021 the Company amended the Ocean loan agreement by extending the maturity date under the facility to September 30, 2023 or such earlier date if the Company is in default of the conditions under the agreement.

In connection with the amendment, the Company granted to Ocean Partners 10,000,000 warrants of the Company with each warrant exercisable into a common share of the Company at an exercise price of \$0.10 per warrant until September 30, 2023 or such earlier date if the maturity date under the facility is accelerated due to an event of default under the agreement. A \$223,526 loss on renegotiation of long term debt. There is also an additional US \$20,000 to be paid on the earliest of (i) September 30, 2023: and)ii) the date on which Agreement is terminated in accordance with the terms.

The fair value of \$286,308 for the 10,000,000 warrants issued of \$0.03 per warrant was calculated at the issue date using the Black-Scholes pricing model. The assumptions for this calculation were a risk free interest rate of 1.03%, expected life of 1.82 years and historical volatility was used for calculation of expected volatility of 100%.

On October 20, 2022 the Company amended its Concentrate Offtake Agreement and Stockpile Financing Facility with Ocean Partners UK Ltd. ("Ocean") effective October 1, 2022.

Under the newly amended terms the parties have agreed to extend the date for repayment of monies drawn from the Facility from September 30, 2022 until March 31, 2023. Interest on any monies drawn from the Facility has been increased from 12-month LIBOR plus 8.75% to 12-month LIBOR plus 10.25%. Should permits to restart Bull River not be received by March 31, 2023, principal and interest from the loan will be due and repayable. Permits to restart Bull River have not yet been received and the lender is in a position to demand loan repayment. Note 13 discusses events subsequent to August 31, 2023 where certain partial interests in certain Thierry mining properties were sold and settlement of Ocean debts were completed.

On November 1, 2023, the Ocean Debt and interest payable was settled together with the sale of 61% of Pickle Lake (Note 4).

	November 30, 2023	May 31, 2023
Ocean Debt		
Beginning of period	\$1,417,561	\$1,221,250
Interest accrued	119,455	221,562
Interest and loan paid	(1,537,000)	(118,263)
Impact of loan modification	-	20,844
Foreign exchange gain (loss)	(16)	72,168
	<u>\$ -</u>	<u>\$ 1,417,561</u>
Less current portion	(-)	(1,417,561)
	<u>\$ -</u>	<u>-</u>

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11. DECOMMISSIONING LIABILITIES

The Company estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately \$691,307 in 2031 and \$2,596,147 in 2041 for the Bull River Mine and Thierry Mine respectively. A Company credit adjusted risk-free interest rate of 15.0% (2022 – 15%) and an estimated inflation rate of 3.0% (2022 – 3%) was used to calculate the present value of asset retirement obligations.

On November 1, 2023 the Company sold 61% of Thierry and no longer consolidates the results. (See Note 5).

Decommissioning obligations activities during the year:

	November 30,	May 31, 2023
	2023	
Beginning of year	\$ 201,025	\$ 173,608
Change of control – non-consolidation of Thierry Mine	(97,674)	
Accretion	14,013	27,417
	<u>\$ 117,364</u>	<u>\$ 201,025</u>

12. COMMITMENTS AND CONTINGENCIES

In July 2022 the Company has committed to spend \$396,000, another \$620,000 in November 2022 and another \$760,000 in December 2022 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2023 (note 8). As at November 30, 2023 the Company estimates \$nil remaining commitment on eligible Canadian exploration and development expenses by December 31, 2023.

The Company has entered into a Capacity Funding Agreement with the Ktunaxa Nation Council (the "KNC") regarding its Bull River Mine Project. The Capacity Funding Agreement provides a framework for the purposes of information sharing and engagement, and where appropriate, accommodation, between the Company and Ktunaxa First Nations. The Company has commitments of up to \$140,000 for the purpose of defraying the costs incurred by the KNC in carrying out and completing the regulatory review of the Bull River Mine application in addition to other engagement activities between the Company and the Ktunaxa First Nations.

See also note 9 for discussion of NSR commitments associated with the royalty agreement.

The Company has a twelve month lease of an ore-sorter requiring \$420,000 USD in payments.

13. EVENTS AFTER REPORTING PERIOD

On October 5, 2023 the Company announced that it had entered into an Ore Purchase Agreement ("OPA") with New Gold to send ore to the New Afton mill facility, near Kamloops, BC. Under the terms of the OPA the Company will deliver up to 90,000 tonnes of mineralized material from a surface stockpile at the Bull River Mine over a period of two years. This provides the Company

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with an opportunity to monetize some of the metal value in the stockpile and generate first revenues for the Company.

On November 29, 2023, Cuprum Corp. completed a private placement for gross proceeds of \$455,500, issuing 9,110,000 shares. The Company now has a 33.8% interest in Cuprum Corp.

The Company has received a \$200,000 loan from Matlock Farms Ltd., a related party, controlled by a Director, repayable in one year, with a 15% interest rate and a \$5,000 administration fee paid in advancement.

On January 24, 2024, 500,000 stock options were granted to a director, vesting immediately, with a \$0.05 exercise price and expiry in 3 years.