

# **FOUNDERS METALS INC.**

Consolidated Interim Financial Statements (unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

To the shareholders of Founders Metals Inc:

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 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 interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of Founders Metals Inc. for the three and nine months ended May 31, 2024 and 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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**FOUNDERS METALS INC.**

Consolidated Interim Statements of Financial Position (Unaudited)

Expressed in Canadian Dollars

<b>As at</b>	<b>May 31 2024</b>	<b>August 31 2023</b>
<b>ASSETS</b>		
Current		
Cash (note 6)	\$ 10,401,463	\$ 2,028,169
Goods and services tax receivable	62,794	85,606
Prepays and deposits	131,452	196,672
	<b>10,595,709</b>	<b>2,310,447</b>
Non-current		
Fixed Assets (note 3)	904,579	554,556
Exploration and evaluation properties (note 4)	21,304,387	12,112,357
	<b>\$ 32,804,675</b>	<b>\$ 14,977,360</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 2,465,617	\$ 889,770
	<b>2,465,617</b>	<b>889,770</b>
<b>EQUITY</b>		
Share capital (note 5)	35,256,289	16,293,446
Option and warrant reserve	3,723,169	1,496,435
Share reserve	2,811,750	-
Deficit	(11,452,150)	(3,702,291)
	<b>30,339,058</b>	<b>14,087,590</b>
	<b>\$ 32,804,675</b>	<b>\$ 14,977,360</b>

Approved by the Board of Directors on July 25, 2024

Director (signed by) "Nicholas Stajduhar"Director (signed by) "Colin Padget"*The accompanying notes form an integral part of these condensed consolidated interim financial statements.*

**FOUNDERS METALS INC.**

Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)

Expressed in Canadian Dollars

For the	Three months ended		Nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
<b>Expenses</b>				
Advertising and promotion	\$ 216,994	\$ 189,000	\$ 673,902	\$ 305,900
General and administration	80,710	95,622	344,273	174,608
Management fees	286,644	39,000	538,894	129,000
Professional fees	49,126	21,122	173,198	68,560
Regulatory and filing fees	10,745	8,250	137,285	29,415
	(644,219)	(352,994)	(1,867,552)	(707,483)
<b>Other income</b>				
Interest income	51,152	17,062	138,858	30,726
Foreign currency exchange gain (loss)	70	-	(1,415)	-
Share based compensation	(5,478,250)	(871,100)	(6,019,750)	(871,000)
<b>Net and comprehensive loss for the period</b>	<b>\$ (6,071,247)</b>	<b>\$ (1,207,032)</b>	<b>\$ (7,749,859)</b>	<b>\$ (1,547,857)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.09)</b>	<b>\$ (0.03)</b>	<b>\$ (0.14)</b>	<b>\$ (0.05)</b>
<b>Basic and diluted weighted average number of common shares outstanding</b>	<b>65,364,879</b>	<b>39,394,912</b>	<b>56,647,371</b>	<b>30,625,787</b>

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

**FOUNDERS METALS INC.**

Consolidated Interim Statements of Cash Flows (unaudited)  
Expressed in Canadian Dollars

	Number of shares	Share capital	Option and warrant reserve	Share reserve	Deficit	Total equity
<b>Balance at August 31, 2022</b>	<b>26,217,000</b>	<b>\$11,086,539</b>	<b>\$ 629,886</b>	<b>\$ -</b>	<b>\$(1,840,037)</b>	<b>\$9,876,388</b>
Shares issued for cash	15,415,000	3,083,000	-	-	-	3,083,000
Shares issued for property	1,475,000	295,000	-	-	-	295,000
Share based compensation	-	-	871,100	-	-	871,100
Share issuance costs	-	(61,334)	-	-	-	(61,334)
Share issuance costs – non-cash	-	(13,536)	13,536	-	-	-
Net loss	-	-	-	-	(1,547,857)	(1,547,857)
<b>Balance at May 31, 2023</b>	<b>43,107,000</b>	<b>\$14,389,669</b>	<b>\$1,514,522</b>	<b>\$ -</b>	<b>\$(3,387,894)</b>	<b>\$12,516,297</b>
Shares issued for cash	4,250,000	1,700,000	-	-	-	1,700,000
Share issuance costs	-	(13,360)	-	-	-	(13,360)
Options exercised	40,000	26,400	(12,400)	-	-	14,000
Warrants exercised	393,750	190,737	(5,687)	-	-	185,050
Net loss	-	-	-	-	(314,397)	(314,397)
<b>Balance at August 31, 2023</b>	<b>47,790,750</b>	<b>\$16,293,446</b>	<b>\$1,496,435</b>	<b>\$ -</b>	<b>\$(3,702,291)</b>	<b>\$14,087,590</b>
Shares issued for cash (note 5)	13,437,501	15,750,000	-	-	-	15,750,000
Share issuance costs (note 5)	-	(1,286,274)	-	-	-	(1,286,274)
RSUs vested and redeemed (note 5)	425,000	692,750	-	2,811,750	-	3,504,500
Options issued (note 5)	-	-	2,515,250	-	-	2,515,250
Options exercised (note 5)	1,740,000	980,450	(285,200)	-	-	695,250
Warrants exercised (note 5)	5,746,375	2,825,917	(3,316)	-	-	2,822,601
Net loss	-	-	-	-	(7,749,859)	(7,749,859)
<b>Balance at May 31, 2024</b>	<b>69,139,626</b>	<b>\$35,256,289</b>	<b>\$3,723,169</b>	<b>\$ 2,811,750</b>	<b>\$(11,452,150)</b>	<b>\$30,339,058</b>

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

**FOUNDERS METALS INC.**

Consolidated Interim Statements of Cash Flows (unaudited)  
Expressed in Canadian Dollars

<b>For the nine months ended</b>	<b>May 31 2024</b>	<b>May 31 2023</b>
<b>Operating activities</b>		
Net loss for the period	<b>\$ (7,749,859)</b>	\$ (1,547,857)
Items not affecting cash:		
Share based compensation	<b>6,019,750</b>	871,100
	(1,730,109)	(676,757)
Changes in non-cash working capital:		
Goods and services tax receivable	57	207,597
Prepayments and receivables	88,033	(126,230)
Accounts payable and accrued liabilities	(550,081)	23,766
Cash used in operating activities	<b>(2,192,100)</b>	(571,624)
<b>Investing activities</b>		
Equipment	(432,953)	-
Exploration and evaluation property exploration acquisition, net (note 4)	(130,057)	(595,621)
Exploration and evaluation property exploration expenditures, net (note 4)	(7,391,083)	(1,142,905)
Cash used in investing activities	<b>(7,954,093)</b>	(1,738,526)
<b>Financing activities</b>		
Proceeds from private placements (note 5)	15,750,000	3,083,000
Proceeds from options exercised (note 5)	695,250	-
Proceeds from warrants exercised (note 5)	2,822,601	-
Cash share issuance costs (note 5)	(748,364)	(61,334)
Cash provided by financing activities	<b>18,519,487</b>	3,021,666
<b>Net increase (decrease) in cash</b>	<b>8,373,294</b>	711,516
Cash, beginning of the period	<b>2,028,169</b>	969,590
<b>Cash, end of the period</b>	<b>\$10,401,463</b>	\$ 1,681,106

As at May 31, 2024, \$6,623 (May 31, 2023 - \$320,026) of acquisition and \$1,581,339 (May 31, 2023 - \$358,865) of exploration and evaluation property expenditures are included in accounts payable and accrued liabilities.

During the period ended May 31, 2024, the Company capitalized amortization of \$82,930 (May 31, 2023 - \$37,390) as exploration and evaluation expenditures to the exploration and evaluation properties.

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

## **FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

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### **1. Nature of operations**

Founders Metals Inc. ("Founders" or the "Company") was incorporated under the Canada Business Corporations Act on April 6, 2000. The Company's common shares are listed for trading on the TSX Venture Exchange under the trading symbol "FDR", on the Frankfurt Stock Exchange under the trading symbol "9DLO", and on the OTCQX Markets under the trading symbol "FDMIF". The address of the Company's corporate office and principal place of business is 250 Southridge NW, Suite 300, Edmonton, AB, T6H 4M9. The Company's registered office is Suite 780 - 1111 West Hastings Street, Vancouver, BC V6E 2J3. The Company's principal business is to explore and develop the gold and mineral exploration Antino Gold Project located in Suriname.

Founders is a Canadian exploration company with properties in North and South America. The Company focuses on acquiring and advancing gold projects in the Guiana Shield. Its flagship asset is the 20,000 ha Antino Gold Project in Suriname. The Antino Gold Project is in the exploration stage and, based on information to date, does not yet have economically recoverable reserves. The recoverability of the amounts shown on the balance sheets for the mineral property and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in the property and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the property.

### **2. Basis of presentation**

These condensed 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 July 26, 2024.

These condensed 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.

**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

**3. Fixed Assets**

<b>Cost</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
<b>Balance, August 31, 2022</b>	<b>\$ -</b>	<b>\$ 62,840</b>	<b>\$ 62,840</b>
Additions	530,000	53,793	583,793
Disposition	-	-	-
<b>Balance, August 31, 2023</b>	<b>\$ 530,000</b>	<b>\$ 116,633</b>	<b>\$ 646,633</b>
Additions	222,966	209,957	432,953
Disposition	-	-	-
<b>Balance, May 31, 2024</b>	<b>\$ 752,996</b>	<b>\$ 326,590</b>	<b>\$ 1,079,586</b>
<b>Accumulated Depreciation</b>			
<b>Balance, August 31, 2022</b>	<b>\$ -</b>	<b>\$ 25,450</b>	<b>\$ 25,450</b>
Depreciation	26,500	40,127	66,627
Disposition	-	-	-
<b>Balance, August 31, 2023</b>	<b>\$ 26,500</b>	<b>\$ 65,577</b>	<b>\$ 92,077</b>
Depreciation	57,189	25,741	82,930
Disposition	-	-	-
<b>Balance, May 31, 2024</b>	<b>\$ 83,689</b>	<b>\$ 91,318</b>	<b>\$ 175,007</b>
<b>Carrying Amounts</b>			
<b>As of August 31, 2022</b>	<b>\$ -</b>	<b>\$ 37,390</b>	<b>\$ 37,390</b>
<b>As of August 31, 2023</b>	<b>\$ 503,500</b>	<b>\$ 51,056</b>	<b>\$ 554,556</b>
<b>As of May 31, 2024</b>	<b>\$ 669,307</b>	<b>\$ 235,272</b>	<b>\$ 904,579</b>

During the year ended August 31, 2023, the Company purchased field equipment and vehicles for a total of \$583,793 and recorded amortization of \$66,627 which was capitalized to exploration and evaluation properties. As at May 31, 2024, the Company purchased additional field equipment and vehicles for a total of \$432,953 and recorded amortization of \$82,930 which was capitalized to exploration and evaluation properties.



## FOUNDERS METALS INC.

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

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### 4. Exploration and evaluation properties

#### Antino Gold Project

The Antino Gold Project is a resource definition stage gold exploration project located in southeastern Suriname, within the Guiana Shield Gold Belt. The project is approximately 275 km from the capital city of Paramaribo and is accessible by air to the Antino Camp airstrip or by barge along the Maroni/Lawa River bordering French Guiana. The 238 square kilometer property holds Rights to the Exploitation of Gold (Suriname mining titles), and all necessary permits for exploration, drilling, and mining have been obtained.

On March 21, 2023, the Company completed the acquisition (the "Acquisition") from Orea Mining Corp. ("Orea") of the option (the "Option") to acquire up to 75% of the Antino Gold Project (the "Project") in Suriname from Nana Resources N.V. Pursuant to an assignment agreement (the "Assignment Agreement") signed on March 17, 2023, Orea assigned to the Company all of its option, rights, and obligations pursuant to an existing option agreement (the "Option") with Nana Resources N.V. ("Nana") dated March 16, 2022 to acquire up to 75% of the shares in the capital of Lawa Gold N.V. ("Lawa") which is the registered owner of 100% of the Project (the "Assignment"). To acquire the Option, the Company paid Orea \$500,000 cash and issued 1,000,000 common shares of the Company.

The Option to acquire up to 75% ownership of the Project and become operator of the Project under the Assignment Agreement and Option Agreement is completed in three stages:

- a) Option to acquire an initial 51% interest in the Project within three years of the Commencement Date by:
- making cash payments totaling USD 1,650,000;
  - issuing common shares of the Company having a value of \$323,000;
  - incurring a minimum of USD 6,000,000 in exploration expenses; and
  - completing a geological technical report prepared in accordance with National Instrument 43-101, containing a minimum of 500,000 oz Au in any category.

As at the date of these condensed interim financial statements, the Company has made cash payments in the amount of USD 100,000, issued 1,475,000 common shares at a price of \$0.20 and incurred exploration expenditures of approximately USD 8,760,000 on the Antino Gold Project.

- b) Option to acquire an additional 19% interest in the Project, for a total of 70%, within two years of completion of the First Option Stage by:
- making cash payments totaling USD 1,500,000;
  - issuing common shares of the Company having a value of \$19,000;
  - incurring a minimum of USD 10,000,000 in exploration expenses; and
  - completing a preliminary economic assessment technical report prepared in accordance with National Instrument 43-101.

In the event that the Company does not proceed with the completion of the Second Option Stage, the Company will transfer its interest in the Project back to the optionor.

- c) Option to acquire an additional 5% in the Project, for a total of 75%, within three years of completion of the Second Option Stage by:
- incurring a minimum of USD 10,000,000 in exploration expenses; and
  - completing a bankable feasibility study prepared in accordance with National Instrument 43-101.

**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

**4. Exploration and evaluation properties (continued)**Antino Gold Project (continued)

Upon successful earn-in of the Project, the Company and the optionor, Nana, will form a joint venture with the objective of accelerating the project into commercial production.

Elmtree Gold Project

On February 26, 2021, the Company acquired the Elmtree Gold Project, a mineral exploration property comprised of two mineral exploration properties respectively comprised of 24 and 25 contiguous mineral claims totaling 1,063,326 hectares in northeast New Brunswick. To acquire the property, the Company paid \$350,000 cash to the vendor and issued 14,000,000 common shares of the Company with an estimated fair value of \$0.45 per share for a total consideration of \$6,650,000. The vendor retains a 2% net smelter royalty. The Company also paid an arm's length third party a finders' fee of 200,000 common shares of the Company with an estimated fair value of \$0.45 per share. Transaction costs of \$27,103 are included in acquisition cost. On completion of this transaction, the four vendors of the property became the directors of the Company.

Summary of costs

Total costs incurred by the Company on its Exploration and Evaluation Properties are summarized as follows:

	<b>Elmtree</b>	<b>Antino Gold</b>	<b>Total</b>
<b>Balance, August 31, 2023</b>	<b>\$ 9,304,595</b>	<b>\$ 2,807,762</b>	<b>\$ 12,112,357</b>
Acquisition	-	136,680	136,680
Airborne and geophysical survey	-	520,175	520,175
Amortization	-	82,930	82,930
Assays and analysis	-	706,114	706,114
Drilling	-	2,683,369	2,683,369
Engineering consulting	-	108,105	108,105
Fieldwork	-	2,402,623	2,402,623
Freight	-	387,204	387,204
Geological consulting	6,000	1,174,910	1,180,910
Management fees	2,880	335,073	337,953
Project development	-	45,518	45,518
Resource development	-	36,300	36,300
Rentals	-	164,433	164,433
Travel and support	-	399,716	399,716
<b>Balance, May 31, 2024</b>	<b>\$ 9,313,475</b>	<b>\$ 11,990,912</b>	<b>\$ 21,304,387</b>

## FOUNDERS METALS INC.

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

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### 5. Share capital

#### a) Common shares

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

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
<b>Balance at August 31, 2023</b>	<b>47,790,750</b>	<b>\$ 16,293,446</b>
Shares issued for cash	13,437,501	15,750,000
Options exercised	1,740,000	980,450
Warrants exercised	5,746,375	2,825,917
Restricted stocks redeemed	425,000	692,750
Share issuance costs	-	(1,286,274)
<b>Balance at May 31, 2024</b>	<b>69,139,626</b>	<b>\$ 35,256,289</b>

On November 28, 2023, the Company closed a private placement by issuing 7,187,500 common shares of the Company at a price of \$0.80 per common share for aggregate gross proceeds of \$5,750,000 (the "Offering"). In connection with the Offering, the Company paid a cash fee of \$345,000 and a cash finder's fee of \$3,000.

On May 24, 2024, the Company closed a private placement by issuing 6,250,000 common shares of the Company at a price of \$1.60 per common share for aggregate gross proceeds of \$10,000,000 (the "Offering"). In connection with the Offering, the Company paid a cash fee of \$595,000.

On April 24, 2024, 2,150,000 restricted share units were vested at the closing price of the shares on the TSXV of \$1.63 and are recorded as share based compensation. As at the date of these condensed interim financial statements, 425,000 of these shares were redeemed.

#### Escrowed common shares

Upon closing of the transaction on February 26, 2021, 14,049,867 common shares of the Company are subject to a Tier 2 Value Escrow Agreement. Under the Tier 2 Value Escrow Agreement, 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 condensed interim financial statements, all common shares were released from escrow.

**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

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**5. Share capital (continued)**

## b) 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 option activity in the periods is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
<b>Outstanding options, August 31, 2023</b>	<b>4,107,000</b>	<b>\$ 0.41</b>
Issued	2,550,000	1.28
Exercised	(1,740,000)	0.40
Cancelled	(200,000)	0.67
<b>Outstanding options, May 31, 2024</b>	<b>4,717,000</b>	<b>\$ 0.87</b>

**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

**5. Share capital (continued)**

## b) Stock options (continued)

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

Expiry Dates	Exercise Price	Number of options	May 31, 2024 Remaining contractual life (years)	Exercise Price	Number of options	August 31, 2023 Remaining contractual life (years)
March 4, 2026	\$ 0.50	675,000	1.8	\$ 0.50	1,175,000	2.5
December 1, 2026	0.75	162,000	2.5	0.75	162,000	3.3
April 24, 2028	0.35	1,455,000	3.9	0.35	2,770,000	4.7
October 4, 2028	0.80	850,000	4.4	-	-	-
March 24, 2029	1.56	1,575,000	4.8	-	-	-
	<b>\$ 0.87</b>	<b>4,717,000</b>	<b>3.9</b>	<b>\$ 0.41</b>	<b>4,107,000</b>	<b>4.0</b>

On October 4, 2023, the Company granted stock options to acquire up to an aggregate 950,000 common shares of Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$0.80 per common share and have an expiry date of October 4, 2028 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$541,500, or \$0.57 per option, has been recorded as share-based compensation expense during the period ended May 31, 2024 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: weighted average grant date stock price \$0.75; expected life, 5 years; expected volatility, 100%; risk-free rate, 4.33%; expected dividends, 0%. The expected volatility was determined by reference to the historical volatility of comparable public companies. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

On March 4, 2024, the Company granted stock options to acquire up to an aggregate 1,600,000 common shares of Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$1.56 per common share and have an expiry date of March 4, 2029 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$2,080,000, or \$1.30 per option, has been recorded as share-based compensation expense during the period ended May 31, 2024 and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: weighted average grant date stock price \$1.69; expected life, 5 years; expected volatility, 100%; risk-free rate, 3.52%; expected dividends, 0%. The expected volatility was determined by reference to the historical volatility of comparable public companies. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

## FOUNDERS METALS INC.

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

### 5. Share capital (continued)

#### c) Warrants

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

	Number of warrants	Weighted average exercise price
<b>Outstanding warrants, August 31, 2023</b>	<b>14,684,123</b>	<b>\$ 0.54</b>
Exercised	(5,746,375)	0.50
<b>Outstanding warrants, May 31, 2024</b>	<b>8,937,748</b>	<b>\$ 0.57</b>

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

Expiry Dates	Exercise Price	Number of warrants	May 31, 2024 Remaining contractual life (years)	Exercise Price	Number of warrants	August 31, 2023 Remaining contractual life (years)
February 26, 2025	0.75	4,976,998	0.7	\$ 0.75	7,176,998	1.5
March 31, 2025	0.35	3,910,000	0.8	0.35	7,395,000	1.6
March 21, 2025	0.20	50,750	0.8	0.20	112,125	1.6
	<b>\$ 0.57</b>	<b>8,937,748</b>	<b>0.8</b>	<b>\$ 0.54</b>	<b>14,684,123</b>	<b>1.5</b>

#### d) Restricted Share Units

A summary of unvested and vested RSUs is as follows:

	Unvested RSUs	Vested RSUs	Total
<b>Balance at August 31, 2022</b>	-	-	-
Granted	2,575,000	-	2,575,000
<b>Balance at August 31, 2023</b>	<b>2,575,000</b>	-	<b>2,575,000</b>
Granted	2,700,000	-	2,700,000
Vested	(2,150,000)	2,150,000	-
Cancelled	(475,000)	-	(475,000)
Redeemed	-	(425,000)	(425,000)
<b>Balance at May 31, 2024</b>	<b>2,650,000</b>	<b>1,725,000</b>	<b>4,375,000</b>

On March 4, 2024, the Company granted 2,700,000 RSUs to Eligible Persons of the Company under its RSU Plan, which will not vest until March 4, 2025. There were 50,000 of these RSUs that were forfeited and cancelled in April 2024.

On April 28, 2023, the Company granted 2,575,000 RSUs to Eligible Persons of the Company under its RSU Plan, which vested on April 28, 2024. A total of 425,000 of these RSUs were forfeited and cancelled and a total 425,000 RSUs were redeemed during the current period.

## FOUNDERS METALS INC.

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

Expressed in Canadian Dollars

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

The Company's cash and cash equivalents are classified as Level 1, whereas accounts receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2. As at May 31, 2024, the Company believes that the carrying values of cash, 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 May 31, 2024, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended May 31, 2024 and 2023

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**6. Financial instruments and risk management (continued)**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. As many of the transactions associated with the Antino Gold Project are conducted in US dollars, the Company is thus exposed to foreign currency exchange risk on these transactions.

As at May 31, 2024, the Company held payables and accruals of \$866,601 denominated in US dollars. A 10% change in the US dollar exchange rate would result in a \$118,355 impact on foreign exchange gains or losses.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	<b>May 31, 2024</b>	<b>August 31 2023</b>
Financial assets at amortized cost		
Cash	\$ 10,401,463	\$ 2,028,169
Goods and services tax receivable	62,794	85,606
	<b>\$ 10,464,257</b>	<b>\$ 2,113,775</b>

Financial liabilities included in the statement of financial position are as follows:

	<b>May 31, 2024</b>	<b>August 31 2023</b>
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	\$ 2,465,617	\$ 889,770
	<b>\$ 2,465,617</b>	<b>\$ 889,770</b>

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.



**FOUNDERS METALS INC.**

Notes to the Consolidated Interim Financial Statements (Unaudited)

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**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:

<b>For the nine months ended</b>	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Management fees paid to key management and directors	\$ 302,850	\$ 219,000
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	155,003	113,000
	<u>\$ 457,853</u>	<u>\$ 332,000</u>

**8. Subsequent events**

Subsequent to May 31, 2024:

- 350,000 warrants with exercise price of \$0.35 were exercised for proceeds of \$122,250.
- 125,000 options with exercise of \$0.35 were exercised for proceeds of \$43,750.
- 975,000 common shares were issued pursuant to settlement of 975,000 vested RSUs.