



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Three Months and Period Ended September 30, 2024  
(in Canadian dollars)

## **NOTICE OF NO REVIEW BY AUDITOR**

---

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants Canada.



## TABLE OF CONTENTS

Interim Consolidated Statement of Financial Position	2
Interim Consolidated Statement of Loss	3
Interim Consolidated Statement of Cash Flows	4
Interim Consolidated Statement of Changes in Equity	5
Notes to the Financial Statements	6



**Condensed Interim Consolidated Statement of Financial Position**  
Unaudited - (Expressed in Canadian dollars)

As at	Note	September 30, 2024 \$	April 5, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	10,685,872	1
Accounts receivable		55,692	-
Prepaid expenses		30,941	-
		<b>10,772,505</b>	<b>1</b>
<b>Non-current assets</b>			
Deposit		50,000	-
<b>Total assets</b>		<b>10,822,505</b>	<b>1</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4	1,014,267	-
<b>Total liabilities</b>		<b>1,014,267</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	10,405,809	1
Accumulated other comprehensive income		3,761	-
Deficit		(601,332)	-
<b>Total shareholders' equity</b>		<b>9,808,238</b>	<b>1</b>
<b>Total liabilities and shareholders' equity</b>		<b>10,822,505</b>	<b>1</b>

*Reference is made to subsequent events (notes 3 and 9).*

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



**Condensed Interim Consolidated Statement of Loss**  
Unaudited-(Expressed in Canadian dollars)

<b>For the periods ended September 30, 2024</b>		<b>Three months</b>	<b>Period to date</b>
	Note	\$	\$
<b>Income</b>			
Interest income		49,193	49,193
<b>Expenses</b>			
General and administrative	6	650,288	650,288
Foreign exchange loss		237	237
Loss before income taxes		601,332	601,332
Income tax expense - current		-	-
Income tax expense - deferred		-	-
Net loss		601,332	601,332
Currency translation adjustments		(3,761)	(3,761)
Comprehensive loss		597,571	597,571
<b>Net loss per share attributable to common shareholders</b>			
Basic and diluted		0.02	0.03
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted		36,953,749	18,992,989

Period to date refers to the period from the Inception Date to September 30, 2024

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



**Condensed Interim Consolidated Statement of Cash Flows**  
Unaudited - (Expressed in Canadian dollars)

<b>For the periods ended September 30, 2024</b>	<b>Three months</b>	<b>Period to date</b>
	\$	\$
<b>OPERATING CASH FLOWS</b>		
Net loss	(601,332)	(601,332)
Changes in working capital:		
Accounts receivable	(55,692)	(55,692)
Prepaid expenses and deposit	(80,941)	(80,941)
Accounts payable and accrued liabilities	622,837	622,837
Net change in working capital	486,204	486,204
Cash used by operating activities	(115,128)	(115,128)
<b>FINANCING CASH FLOWS</b>		
Gross proceeds from the issuance of shares	10,800,999	10,801,000
Cash provided by financing activities	10,800,999	10,801,000
Change in cash flows	10,685,871	10,685,872
Opening cash and cash equivalents	1	-
Closing cash and cash equivalents	10,685,872	10,685,872
Components of cash and cash equivalents:		
Cash	10,685,872	10,685,872
Cash equivalents	-	-
	10,685,872	10,685,872

Period to date refers to the period from the Inception Date to September 30, 2024.

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



**Condensed Interim Consolidated Statement of Changes in Equity**  
 Unaudited - (Expressed in Canadian dollars, except share numbers)

	Share capital (note 5)		Accumulated Other Comprehensive Income \$	Deficit \$	Total Equity \$
	Number	\$			
<b>Balance as at April 5, 2024</b>	1	1	-	-	1
Share cancelled (note 5)	(1)	(1)	-	-	(1)
Equity issue (note 5)	55,733,522	9,826,000	-	-	9,826,000
Equity issue costs (note 5)	-	(395,191)	-	-	(395,191)
Shares to be issued (note 5)	-	975,000	-	-	975,000
Comprehensive income (loss)	-	-	3,761	(601,332)	(597,571)
<b>Balance as at September 30, 2024</b>	<b>55,733,522</b>	<b>10,405,809</b>	<b>3,761</b>	<b>(601,332)</b>	<b>9,808,238</b>

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



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

## **Notes to the Condensed Interim Consolidated Financial Statements**

### **1. NATURE OF OPERATIONS**

---

Culico Metals Inc. (formerly 1000853883 Ontario Inc.) ("**Culico**" or "**Company**") is a company domiciled in Canada incorporated on April 5, 2024 ("**Inception Date**"), under the Canada Business Corporations Act. The Company's registered office is located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario, M5X 1A4, Canada.

Culico was established as a spinout investment business to hold certain assets and rights which were held by Karora Resources Inc. ("**Karora**"). On April 8, 2024, Karora and Australian Stock Exchange ("**ASX**") listed issuer Westgold Resources Limited ("**Westgold**") entered into an arrangement agreement pursuant to which Westgold indirectly acquired 100% of the issued and outstanding common shares of Karora by way of a statutory plan of arrangement (the "**Plan of Arrangement**") under the *Canada Business Corporations Act* (the "**Arrangement**"). The Arrangement was approved by Karora shareholders on July 19, 2024. Karora obtained the final court order from the Ontario Superior Court of Justice (Commercial List) approving the arrangement on July 24, 2024. In addition to shareholder and court approvals, the Arrangement was subject to applicable regulatory approvals, including those of the Foreign Investment Review Board, the Toronto Stock Exchange and the ASX, and the satisfaction of certain other closing conditions customary for a transaction of this nature. All such required approvals were obtained, and the transaction closed on August 1, 2024.

The Company subsequently became a reporting issuer of the TSX Venture Exchange ("**TSXV**") on August 16, 2024 and the following Karora assets and rights were transferred to Culico in accordance with the contribution agreement entered into between Karora and Culico and the Plan of Arrangement effective July 31, 2024:

- \$5 million in cash;
- right to receive the trailing asset sale proceeds of the Dumont project being an amount up to US\$30 million ("**Dumont Asset**"). The Dumont project is a large-scale nickel deposit located 25 km west of the town of Amos in the established Abitibi mining camp in the mining-friendly Canadian province of Québec. No value has been assigned to the Dumont Asset as at September 30, 2024; management will recognise an asset on the statement of financial position, once there is sufficient certainty on the collectability of the proceeds;
- \$4.826 million in cash representing the economic equivalent value of the 31,863,345 shares of Kali Metals Limited ("**Kali**"), whose ordinary shares are listed on the ASX; and
- 1% lithium royalty for any lithium mined by Kali from the relevant Higginsville tenement package (collectively, the "**Royalty Rights**"). No carrying value has been attributed to the Royalty Rights on the basis that Kali has not established a Lithium Mineral Resource estimate to underpin any estimate of carrying value;

(collectively the "**Spinout Investment Business**").

On the Inception Date, under the Arrangement, Karora shareholders received 0.3 of a Company share for every Karora share held on the effective date of the Arrangement and the Company was 100% owned by the existing shareholders of Karora at that time.





Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

These unaudited condensed interim consolidated financial statements of the Company are as at and for the three months ended September 30, 2024 and the period from the Inception Date to September 30, 2024.

The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the TSXV under the symbol “**CLCO**”. Investors are advised that the Company has been listed on TSXV as a TSXV Sandbox Listing as the Company did not meet all TSXV’s listing requirements at the time of listing. Investors are advised to read the Company’s news release dated August 14, 2024 to review all waivers granted in connection with the Company’s listing, details on the listing conditions imposed on the Company, the exit conditions the Company must meet in order to exit TSXV Sandbox, and any consequences if the Company does not meet these exit conditions. There can be no assurance that the Company will meet all the exit conditions. For details on TSXV Sandbox, please visit (<https://www.tsx.com/en/listings/tsx-and-tsxv-issuer-resources/tsx-venture-exchange-issuer-resources/tsxv-sandbox>).

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

---

### **Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors of Culico on November 27, 2024.

### **Basis of preparation**

These financial statements have been prepared on a historical cost basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

## **3. MATERIAL ACCOUNTING POLICIES**

---

The Company’s consolidated financial statements consolidate the accounts of Culico and its wholly owned subsidiary, Mountain West Metals Inc. (“**MWM**”). MWM is a corporate office which is incorporated in the United States and whose functional currency is the US dollar.

A subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control is transferred to the Company and are de-consolidated from the date control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by the Company. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

### **Basis of measurement**

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### *Functional and Presentation Currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency") being the Canadian dollar. The financial statements are presented in Canadian dollars.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand as well as other highly liquid short-term investments with original maturities of three months or less or that can be redeemed at any time without penalties. As at September 30, 2024, cash and cash equivalents included \$2,000,000 in respect of cash held in trust with the Company's legal counsel in respect of the Arrangement. The cash was released out of the trust by the date of these financial statements, net of \$140,937 in respect of share equity issue costs (note 5).

### **Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period that the transaction occurs.

### **Earnings per share**

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, deferred share units, restricted share units and performance share units outstanding that may add to the total number of common shares. As at September 30, 2024, no dilutive instruments were outstanding.

### **Fair value**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available. For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm's-length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models. The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques use significant observable inputs, directly or indirectly, or valuations are based on quoted prices for similar instruments; and;



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

### **Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or in equity, in which case it is recognized in other comprehensive income or in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are not recognized where the temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that does not affect either accounting or taxable profit or loss, other than where the initial recognition of such an asset or liability arises in a business combination. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets and liabilities are presented as non-current.

Assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities or deferred tax assets against deferred tax liabilities and the respective assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **New accounting standards, amendments and interpretations**

There are no IFRS Accounting Standards that are not yet effective or early adopted that are expected to have a material impact on the Company.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

#### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

---

Accounts payable and accrued liabilities consist of the following:

<b>As at</b>	<b>September 30, 2024</b>
	<b>\$</b>
Accounts payable	241,267
Accrued liabilities	60,600
Employee related	317,209
Share issue costs	395,191
	<b>1,014,267</b>

---

#### 5. SHARE CAPITAL

---

The Company is authorized to issue an unlimited amount of common shares.

On April 5, 2024, the Company issued one common share to Karora upon incorporation for \$1.

On August 1, 2024, the Company cancelled the one common share issued on the Inception Date and issued the common shares in respect of the Arrangement described in Note 1 to Karora shareholders. A total of 55,733,521 common shares were issued with a gross value of \$9,826,000 or \$0.176 per share. Issue costs with respect to the shares issued pursuant to the Arrangement totaled \$374,688 which were included in accounts payable and accrued liabilities as at September 30, 2024.

On October 1, 2024, the Company closed a private placement financing of 24,999,997 common shares at a price of \$0.064 per common share for gross proceeds of \$1,600,000. Issue costs with respect to the private placement totaled \$20,503 which were included in accounts payable and accrued liabilities as at September 30, 2024. As at September 30, 2024, the Company received cash totalling \$975,000 in respect of the private placement which is included in share capital on the statement of financial position. By the reporting date of these financial statements, all conditions to close the private placement were satisfied and the remaining \$625,000 of gross cash proceeds was received.



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

## 6. GENERAL AND ADMINISTRATIVE EXPENSES

---

For the periods ended September 30, 2024	Three months	Period to Date
	\$	\$
Employee related	395,796	395,796
Director fees	39,372	39,372
Professional fees	65,898	65,898
Consulting fees	70,902	70,902
Public company fees	35,304	35,304
Office and general	26,869	26,869
Travel	15,814	15,814
Other	333	333
	<b>650,288</b>	<b>650,288</b>

---

## 7. CAPITAL MANAGEMENT

---

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are subject to approval by the Board of Directors.

## 8. MANAGEMENT OF FINANCIAL RISKS

---

The Company is exposed to the following risk:

- (i) Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company intends to reduce its credit risk on its cash by deposits and investments with major Canadian banks rated "A" or higher.
- (ii) Under the Arrangement, the Company was injected with cash along with certain assets and rights to establish independent liquidity.

## 9. SUBSEQUENT EVENTS

---

On October 5, 2024, the Company granted 8,025,000 options to management and employees. The exercise price of the options was \$0.105 per share being the closing price on the day preceding the grant date. The options vest over three years and have an expiration date of five years from the grant date



Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2024  
(Expressed in Canadian dollars, unless otherwise indicated)

On November 12, 2024, the Company subscribed for 10,000,000 shares of Americas Gold and Silver Corporation (“**AGS**”). The shares were issued pursuant to a private placement which AGS announced on October 30, 2024. AGS is listed on the Toronto Stock Exchange under the stock symbol ‘**USA**’. The issue price was \$0.40 per share for a purchase price of \$4,000,000. The Company will account for the investment as a marketable security and changes in the fair value of the investment will be accounted for in the consolidated statement of loss. As the shares trade on an active market, the investment will be considered a Level 1 asset in the fair value hierarchy.