TERRENO RESOURCES CORP.

Financial Statements

(Expressed in Canadian Dollars)

For the six months ended September 30, 2024 and 2023

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Terreno Resources Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditor.

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TERRENO RESOURCES CORP.
Statements of Financial Position
As at September 30, 2024 and March 31, 2024
(Expressed in Canadian Dollars)

	Notes		September 30, 2024 (Unaudited)		March 31, 2024 (Audited)
Assets					
Current					
Cash		$	11,958	$	35,882
Prepaid and receivables	5		3,607		11,927
			15,565		47,809
Total Assets		$	15,565	$	47,809
Liabilities and Shareholders' equity (deficiency)					
Current liabilities					
Accounts payable and accrued liabilities	6	$	612,436	$	714,783
			612,436		714,783
Shareholders' equity (deficiency)					
Share capital	7		12,511,084		12,511,084
Deficit			(13,107,955)		(13,178,058)
			(596,871)		(666,974)
Total Liabilities and Shareholders' equity (deficiency)		$	15,565	$	47,809

Refer to Note 2 for the Significant Going Concern Uncertainty
The accompanying notes are an integral part of these condensed interim financial statements.

Approved on behalf of the Board

Richard Williams
Director

Joseph Del Campo
Director

TERRENO RESOURCES CORP.
Condensed Statements of Comprehensive Loss
For the six months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

			Three months ended September 30,		Six months ended September 30,	
	Notes		2024	2023	2024	2023
Operating expenses						
General and administrative expenses	8	$	(85,451)	32,863	(73,998)	59,703
Exploration and evaluation expenditures	9		3,351	48,315	3,895	101,584
Income (loss) from operations			82,100	(81,178)	70,103	(161,287)
Foreign exchange gain (loss)			(5)	7	-	(442)
Net income (loss) for the period		$	82,095	(81,171)	70,103	(161,729)
Total comprehensive income (loss) for the period		$	82,095	(81,171)	70,103	(161,729)
Loss per share						
Basic and diluted			0.00	(0.00)	0.00	(0.00)
Weighted average number of common shares outstanding						
Basic and diluted			64,171,506	64,171,506	64,171,506	64,171,506

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

TERRENO RESOURCES CORP.
Statements of Shareholders' Equity (Deficiency)
For the six months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

		Share capital		Share option reserve		Deficit		Total Shareholders' equity (deficiency)
Balance as at March 31, 2024	**$**	**12,511,084**	**$**	**-**	**$**	**(13,178,058)**	**$**	**(666,974)**
Net income for the period		**-**		**-**		**70,103**		**70,103**
Total comprehensive income for the period		**-**		**-**		**70,103**		**70,103**
Balance as at September 30, 2024	**$**	**12,511,084**	**$**	**-**	**$**	**(13,107,955)**	**$**	**(596,871)**
Balance as at March 31, 2023	$	12,511,084	$	73,200	$	(12,955,159)	$	(370,875)
Net loss for the period		-		-		(161,729)		(161,729)
Total comprehensive loss for the period		-		-		(161,729)		(161,729)
Value of options expired		-		(15,000)		15,000		-
		-		(15,000)		15,000		-
Balance as at September 30, 2023	$	12,511,084	$	58,200	$	(13,101,888)	$	(532,604)

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

TERRENO RESOURCES CORP.
Statements of Cash Flows
For the six months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes		Six months ended September 30, 2024		2023
Cash flows from operations					
Net income (loss) for the period		**$**	**70,103**	$	(161,729)
Changes in non-cash working capital balances	12		**(94,027)**		43,140
Net cash used in operating activities			**(23,924)**		(118,589)
Decrease in cash			**(23,924)**		(118,589)
Cash, beginning of period			**35,882**		165,293
Cash, end of period		**$**	**11,958**	$	46,704

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

Description of Business and Nature of Operations:

Terreno Resources Corp. (the "Company" or "Terreno") is a listed issuer on the TSX Venture Exchange trading on the NEX board. The Company is incorporated under the laws of the Province of British Columbia. The Company's registered office is located at 572 Uxbridge Pickering Townline, Uxbridge Ontario, L9P 1R4.

The Company's principal business activities include the acquisition, exploration and development of mineral properties. Terreno's current exploration focus is on the Las Cucharas Project, which is located in Mexico (see Note 9).

The financial statements as at and for the six months ended September 30, 2024 and 2023 were approved by the Board of Directors on November 27, 2024.

1. Significant going concern uncertainty:

These interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The Company has a history of operating losses and as at September 30, 2024 has an accumulated deficit of $13,107,955 (March 31, 2024 - $13,178,058).

These risks include, but are not limited to, dependence on key individuals, and the ability to secure adequate financing to meet the minimum capital required to successfully continue as a going concern.

In the event that future financings are not successfully completed, the Company may not have sufficient cash and cash flow to meet its operating requirements. The ability of the Company to continue as a going concern is dependent on securing additional financings through issuing additional equity or debt instruments. While the Company believes in the viability of its strategy and, in its ability to raise additional funds for the Company to continue as a going concern, there can be no assurances to that effect. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments, if required, could be material to the financial statements.

In addition, local disputes between gang/cartel members could adversely affect the ability of key personnel to safely carry out their tasks. Travel restrictions or cross border sanctions or restrictions could also adversely affect the ability to carry out exploration activities.

2. Basis of preparation:

(a) Statement of Compliance:

These interim financial statements, including comparative balances, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee (IFRIC).

These interim financial statements have been prepared using the historical cost basis, except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$") except as otherwise noted.

3. Basis of preparation (continued):

(b) Critical accounting judgments, estimates and assumptions:

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that may require material adjustments to the carrying amount of the asset or liability affected in future periods. Below is a list of the critical accounting judgements, estimates and assumptions (excluding going concern which is disclosed in Note 2):

i. Determination of functional currency:

The functional currency of the Company is measured using the currency of the Primary economic environment in which that entity operates, which is the Canadian dollar.

ii. Deferred tax assets:

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's future planned activities as supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Company does not recognize the deferred tax asset.

iii. Share-based payments:

The Company uses the Black-Scholes option pricing model to calculate both stock-based compensation expense and warrant values. The Black-Scholes model requires seven key inputs to determine the value for options and warrants, being the risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, forfeiture rate and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

4. Summary of significant accounting policies:

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"). They do not include all the information required for full IFRS annual financial statements.

Please refer to the March 31, 2024 audited financial statements and accompanying notes for a description of the significant accounting policies used by the Company. The policies set out in the Company's March 31, 2024 financial statements were consistently applied to all periods presented unless otherwise noted below. These condensed interim financial statements should be read in conjunction with the financial statements for the year ended March 31, 2024.

4. Summary of significant accounting policies (continued):

New Accounting Pronouncements Affecting the Current Reporting Periods Presented

The following is a listing of the amendments, revisions and new IFRS Accounting Standards, issued and effective with the Company's year end commencing April 1, 2023. Consequential amendments to other IFRS Accounting Standards are included with the amendment, revision or new IFRS Accounting Standard to which they relate.

IFRS 7 Financial Instruments: Disclosures
- ·Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

IFRS 10 Consolidated Financial Statements
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28); incorporates Effective Date of Amendments to IFRS 10 and IAS 28

IFRS 16 Leases
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

IAS 1 Presentation of Financial Statements
- Appendix - Amendments to IAS 1 Issued in 2020 and 2022

IAS 7 Statement of Cash Flows
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

IAS 28 Investments in Associates and Joint Ventures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28); incorporates Effective Date of Amendments to IFRS 10 and IAS 28

The Company reviewed these standards and concluded that they will have no material impact on its financial statements for the current or prior year.

New Accounting Pronouncements Affecting Future Reporting Periods

The following is a listing of the amendments, revisions and new IFRS Accounting Standards, issued but not effective until annual periods beginning after January 1, 2024. Consequential amendments to other IFRS Accounting Standards are included with the amendment, revision or new IFRS Accounting Standard to which they relate.

Unless otherwise indicated, earlier application is permitted. Generally, entities choosing to apply an amendment, a revision or a new IFRS Accounting Standard before its effective date are required to also apply the related consequential amendments at the same time.

IFRS 10 Consolidated Financial Statements
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28); incorporates Effective Date of Amendments to IFRS 10 and IAS 28

IAS 21 The Effects of Changes in Foreign Exchange Rates
- Lack of Exchangeability (Amendments to IAS 21)

IAS 28 Investments in Associates and Joint Ventures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28); incorporates Effective Date of Amendments to IFRS 10 and IAS 28

(EXPRESSED IN CANADIAN DOLLARS)

4. Summary of significant accounting policies (continued):

The Company reviewed these standards and concluded that they will have no material impact on its financial statements in future reporting periods.

5. Prepaids and receivables:

The Company's prepaid expenses and other receivables consisted of the following:

	September 30, 2024	March 31, 2024
	$	$
HST Receivable	**3,607**	11,927

6. Related party transactions with key management personnel:

All transactions with key management personnel have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of key executives is determined by the board having regard to the performance of individuals and market trends.

During the six months ended September 30, 2024, and 2023 the Company entered the following transactions with key management personnel:

Type of service	**Nature of relationship**	**2024**	2023
		$	$
Consulting fees	Officers	**12,000**	42,000

For the six months ended September 30, 2024, $12,000 (2023 - $42,000) of the cost relating to the consulting fees are included in general and administration expenses.

As the Company has had little activity, the CEO and former CEO agreed to reduced salaries. This resulted in an adjustment of over accruals totalling $115,000 for the six months ended September 30, 2024,

At September 30, 2024, accounts payable and accrued liabilities included $33,000 (March 31, 2024 - $129,520) due to key management personnel for unpaid remuneration.

7. Share capital:

Authorized:

The Company is authorized to issue an unlimited number of voting common shares without par value.

(EXPRESSED IN CANADIAN DOLLARS)

7. Share capital (continued):

Issued:

	Shares	Amount
	#	$
Balance at March 31, 2023	64,171,506	12,511,084
Balance at March 31, 2024 and September 30, 2024	**64,171,506**	**12,511,084**

Stock Option plan:

The Company grants incentive stock options to eligible directors, officers, and consultants as permitted pursuant to the Company's Stock Option Plan approved by the shareholders. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date. Each of the stock options granted vest immediately on the date of grant and have a term of five years. If the option holder ceases to be qualified to receive options from the Company those options expire in 90 days.

a) Stock options:

A summary of the status of the Company's stock options outstanding as at September 30, 2024 and 2023, and changes during the periods then ended is presented below:

	Number of options	Weighted average exercise price
		$
Balance at March 31, 2023	2,000,000	0.05
Expired	(2,000,000)	0.05
Balance at March 31, 2024 and September 30, 2024	**-**	**-**

During the six months ended September 30, 2024 and 2023, no stock options were granted.

In April 2023, 400,000 options exercisable at $0.05 issued to the former VP of Exploration expired unexercised.

In December 2023, the remaining 1,600,000 stock options exercisable at $0.05 expired unexercised.

8. General and Administrative expenses:

	Three months ended September 30,		**Six months ended September 30,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Consulting fees	**(94,000)**	21,000	**(88,000)**	42,000
Office and general	**206**	3,759	**301**	3,854
Professional fees	**4,500**	2,990	**7,800**	6,990
Shareholder relations and communications	**3,843**	5,114	**5,901**	6,859
	(85,451)	32,863	**(73,998)**	59,703

9. Exploration and evaluation expenditures:

In January 2018, Terreno signed a definitive Mineral Property Option Agreement with an Ontario private company under which Terreno may earn a sixty percent (60%) interest in the Las Cucharas Gold & Silver Project in Mexico.

The Las Cucharas Project consists of seventeen (17) concessions covering slightly over four thousand four hundred forty-five (4,445) hectares. Terreno may earn a sixty percent interest by incurring exploration expenditures and by issuing Terreno common shares as follows:

- Two million common shares within 10 days of TSX Venture Exchange acceptance of the property acquisition (issued).

- Two and a half million common shares on each of the first and second anniversary of the option agreement (issued).

- Three million common shares on the third anniversary of the option agreement (issued).

- Five million shares on the fourth anniversary of the option agreement within five (5) days of the transfer of a sixty percent (60%) interest in the concession titles (issued). Written notice has been provided to both the private Ontario company and Triple Flag Precious Metals Corp. (formerly Maverix Metals Inc.) that the $700,000 of cumulative exploration expenditures have been completed and requesting the transfer of the concessions from the Mexican subsidiary of Triple Flag Precious Metals Corp. to the Mexican subsidiary of the Ontario private company. Triple Flag Precious Metals Corp., through its Mexican subsidiary, were the owners of the concessions who had optioned them to the private Ontario company.

- Cumulative exploration expenditures of $700,000 by October 31, 2021, including $200,000 by October 31, 2019 and $450,000 by October 31, 2020 have all been completed.

- The property option, once exercised, has made the Las Cucharas Project subject to a three percent (3%) net smelter return (NSR) royalty payable to Triple Flag Precious Metals Corp. (TSE:TFPM).

Under the terms of the option agreement the Company is also required to pay all fees, taxes, assessments and other charges levied by government authorities. As of September 30, 2024 the Company accrued $552,603 (Mexican pesos 7,750,000) in unpaid concessions fees owing to the Mexican government.

In March 2021, the Company signed a Mineral Property Option Amendment Agreement with the Ontario private company under which the Company has the option to earn the remaining 40% interest in the Las Cucharas Project in exchange for 20,000,000 additional common shares subject to regulatory approval. The Company may earn an additional 10% interest for each of four payments of 5,000,000 shares. These shares are to be issued in four equal tranches of 5,000,000 common shares on the first, second, third and fourth anniversaries of the transfer of titles under the original property option.

In April 2023, a new Mexico Mining Law was enacted by the Mexican Government under which authorities have the right to cancel concessions for either non-payment of concessions fees for two years, or after two years, if no work is completed on the concessions. The concessions fee accrual of $552,603 represents three years of concessions fee owing, being for fiscal 2022, 2023 and 2024. As such, under the new Mexico Mining Law, the Company is exposed to its concessions being cancelled for non-payment of fees.

(EXPRESSED IN CANADIAN DOLLARS)

In March 2024, Mexico's Supreme Court granted a temporary suspension of the new Mexico Mining Law to protect the rights of companies with active concessions. In July 2024, the Mexico Supreme Court announced that it postponed its resolution of the temporary ban, as such the temporary ban continues in place. Mexican counsel has advised management that negotiation of a partial payment of the arrears with the authorities, to avoid cancellation, could be possible. Management is undertaking efforts to obtain funding in this regard.

In August 2023, transfer of title to the Las Cucharas Project concessions took place under public deed and was notarized in Mexico City. The three percent (3%) Net Royalty Agreement was also signed and notarized. The 5,000,000 common shares issued in August 2022 that were due upon title transfer were released to the private Ontario company. The private Ontario company has directed the lawyer representing Exploracion Las Cucharas S.A. de C.V. to transfer a 60% ownership in this Mexican company to Terreno.

10. Capital management:

The Company includes the following in its capital:

	September 30, 2024	March 31, 2024
	$	$
Share capital	**12,511,084**	12,511,084
Deficit	**(13,107,955)**	(13,178,058)
	(596,871)	(666,974)

The Company's objectives when managing capital are:

(a) To maximize any income it may receive from available cash without significantly increasing the principal at risk by making investments in high credit quality issuers; and

(b) To maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- realizing proceeds from the disposition of its investments;
- raising capital through equity financings;

The Company is not subject to any capital requirements imposed by a regulator. To date, the Company has not declared any cash dividends to its shareholders. The Company's management is responsible for the management of capital and reviews its capital management approach on an ongoing basis through the preparation of annual expenditure budgets, which are updated regularly to take into account factors such as successful financings to fund activities, changes in property holdings and related obligations and exploration activities and believes that this approach, given the relative size of the Company, is reasonable.

11. Financial instruments:

These assets represent a small portion of the Company's overall business. However, the use of financial instruments can expose the Company to several risks. A discussion of the Company's use of financial instruments and their associated risks is provided below:

(a) Liquidity risk: Liquidity risk is the risk that the Company will have sufficient cash resources to meet its financial obligations as they come due. As at September 30, 2024, the Company has outstanding liabilities of $612,436 (March 31, 2024 - $714,783) and working capital deficit of ($596,871) (March 31, 2024 – ($666,974)). The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. The Company has cash of $11,958 (March 31, 2023 - $35,882). The Company will need to obtain additional financing. There is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Company, or that any future offering of securities will be successful. If additional funds are raised through the issuance of equity securities, there may be a significant dilution in the value of the Company's outstanding common stock. The Company could suffer adverse consequences if it is unable to obtain additional capital which would cast substantial doubt on its ability to continue its operations and growth. See Note 2.

(b) Currency risk: Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency fluctuations as a substantial portion of its exploration and evaluation expenditures and their related liabilities are denominated in Mexican pesos. The Company has not entered into any foreign currency contracts to hedge this exposure. The risk is not significant for the current financial reporting period. If the value of the Mexican peso changes by 1% then the Mexican peso based liabilities will change by $5,720.

(c) Credit risk: Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is minimal as it has its cash deposited with highly rated Canadian financial institutions.

12. Changes in non-working capital:

	For the six months ended	
	September 30, 2024	September 30, 2023
	$	$
Prepaid and receivables	**8,320**	(8,930)
Accounts payable and accrued liabilities	**(102,347)**	52,070
Total	**(94,027)**	43,140