Lion Rock Resources Inc.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review of
Interim Financial Statements

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Lion Rock Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
Expressed in Canadian Dollars

		March 31, 2025 (unaudited)		December 31, 2024
Assets				
Current				
Cash	**$**	**1,028,854**	$	193,143
Goods and Services Tax receivable		**28,630**		15,718
Prepaid expenses		**157,990**		100,463
		1,215,474		309,324
Equipment		**21,025**		-
Exploration and evaluation assets (Note 6)		**1,997,823**		592,023
		2,018,848		592,023
	$	**3,234,322**	$	901,347
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 11)	**$**	**302,255**	$	692,844
Loans payable (Note 7)		**124,200**		124,200
		426,455		817,044
Asset retirement obligation (Note 8)		**1,850,000**		1,850,000
		2,276,455		2,667,044
Shareholders' Equity (Deficit)				
Share capital (Note 9)		**28,081,066**		24,471,255
Share subscriptions (Note 9)		**-**		185,000
Reserves (Note 9)		**749,249**		38,936
Accumulated other comprehensive loss		**(594)**		-
Deficit		**(27,871,854)**		(26,460,888)
		957,867		(1,765,697)
	$	**3,234,322**	$	901,347

Note 2 – Going concern
Note 14 – Subsequent events

Approved and authorized by the board of directors on May 29, 2025:

"R. Dale Ginn" — Director

"Richard Boulay" — Director

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

Lion Rock Resources Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the Three Months Ended March 31,
(Unaudited – Expressed in Canadian Dollars)

		2025		2024
Expenses				
Accounting and audit fees (Note 11)	**$**	**24,175**	$	20,695
Consulting fees (Note 11)		**245,200**		170,500
Depreciation		**538**		-
Exploration and evaluation expenditures (Notes 6 and 11)		**253,667**		97,778
Foreign exchange		**4,029**		-
Legal fees		**37,806**		42,424
Office and general		**14,834**		8,441
Public company costs		**30,214**		25,810
Rent (Note 11)		**22,227**		12,000
Share-based payments (Notes 10 and 11)		**710,313**		-
Shareholder communications and investor relations		**45,670**		5,502
Travel and meals		**22,293**		20,364
Net loss for the period		**(1,410,966)**		(403,514)
Other Comprehensive Loss				
Exchange difference on translating foreign operations		**(594)**		-
Comprehensive Loss for the Period	**$**	**(1,411,560)**	$	(403,514)
Basic and Diluted Loss per Share	**$**	**(0.03)**	$	(0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		**56,358,363**		33,754,399

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

Lion Rock Resources Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited – Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Share Subscriptions Received $	Reserves $	Deficit $	Accumulated Other Comprehensive Loss $	Total $
Balance, December 31, 2023	**31,468,685**	**23,517,691**	**-**	**-**	**(24,243,736)**	**-**	**(726,045)**
Shares issued for cash (Note 9b)	10,000,000	1,000,000	-	-	-	-	1,000,000
Share issuance costs (Note 9b)	400,000	(46,436)	-	38,936	-	-	(7,500)
Net loss for the period	-	-	-	-	(403,514)	-	(403,514)
Balance, March 31, 2024	**41,868,685**	**24,471,255**	**-**	**38,936**	**(24,647,250)**	**-**	**(137,059)**
Share subscriptions received	-	-	185,000	-	-	-	185,000
Net loss for the period	-	-	-	-	(1,813,638)	-	(1,813,638)
Balance, December 31, 2024	**41,868,685**	**24,471,255**	**185,000**	**38,936**	**(26,460,888)**	**-**	**(1,765,697)**
Shares issued for cash (Note 9b)	22,050,000	2,225,000	(185,000)	-	-	-	2,040,000
Share issuance costs (Note 9b)	-	(15,389)	-	-	-	-	(15,389)
Shares issued for exploration and evaluation assets (Note 9b)	7,001,000	1,400,200	-	-	-	-	1,400,200
Stock options granted	-	-	-	710,313	-	-	710,313
Net loss for the period	-	-	-	-	(1,410,966)	-	(1,410,966)
Exchange difference on translating foreign operations	-	-	-	-	-	(594)	(594)
Balance, March 31, 2025	**70,919,685**	**28,081,066**	**-**	**749,249**	**(27,871,854)**	**(594)**	**957,867**

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

Lion Rock Resources Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31,
(Unaudited – Expressed in Canadian Dollars)

		2025		2024
Operating Activities				
Net loss for the period	$	**(1,410,966)**	$	(403,514)
Items not involving cash				
Depreciation		**538**		-
Foreign exchange		**(629)**		-
Share-based payments		**710,313**		-
Changes in non-cash operating working capital				
Goods and Services Tax receivable		**(12,912)**		(5,943)
Prepaid expenses		**(57,527)**		6,431
Accounts payable and accrued liabilities		**(390,589)**		137,253
Net Cash Used in Operating Activities		**(1,161,772)**		(265,773)
Investing Activities				
Cash acquisition costs related to exploration and evaluation assets		**-**		(34,022)
Purchases of equipment		**(21,528)**		-
Exploration and evaluation asset expenditures		**(5,600)**		-
Net Cash Used in Investing Activities		**(27,128)**		(34,022)
Financing Activities				
Shares issued for cash		**2,040,000**		1,000,000
Share issuance costs		**(15,389)**		(7,500)
Net Cash Provided by Financing Activities		**2,024,611**		992,500
Increase in Cash		**835,711**		692,705
Cash, Beginning of Period		**193,143**		239,671
Cash, End of Period	**$**	**1,028,854**	$	932,376
Non-cash Investing and Financing Activities and Supplemental Disclosures				
Interest paid	**$**	**-**	$	-
Income taxes paid	**$**	**-**	$	-
Finders' warrants issued	**$**	**-**	$	38,936
Shares issued for exploration and evaluation assets	**$**	**1,400,200**	$	-

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

1. NATURE OF OPERATIONS

Lion Rock Resources Inc. ("Lion Rock" or the "Company") was incorporated in Canada pursuant to the *Canada Business Corporations Act* on March 20, 1998. On August 11, 2020, the Company continued from being incorporated under Canadian federal jurisdiction to being incorporated under the *Business Corporations Act* of British Columbia. The Company is a public company, and as of July 12, 2022, is listed on the TSX Venture Exchange ("TSX-V") in Canada with the symbol "ROAR". The Company is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company changed its name from King's Bay Resources Corp. to Lion Rock Resources Inc. on July 7, 2022.

The head office, principal address, and registered and records office of the Company are located at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

The Company has not generated any revenues and has a net loss of $1,410,966 during the three months ended March 31, 2025 (2024 - $403,514) and accumulated deficit of $27,871,854 (December 31, 2024 - $26,460,888) since inception. As at March 31, 2025, the Company has a working capital of $789,019 (December 31, 2024 – deficit of $507,720). These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively seeking to raise the necessary capital to meet its funding requirements. The conditions described above indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company is not expected to be profitable during the ensuing twelve months, and therefore, must rely on securing additional funds from either debt or equity financings for cash consideration. While the Company is expanding its best efforts to achieve the continued financing, there is no assurance that any such activity will generate sufficient funds for future operations.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

3. BASIS OF PRESENTATION

Statement of Compliance

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

3. BASIS OF PRESENTATION – continued

Basis of Measurement and Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Lion Rock Exploration Inc. (“LRE”) and Lion Rock Resources (SD) Inc. (“LRSD”), for the periods presented. Intercompany balances and transactions are eliminated in preparation of the Company’s condensed consolidated interim financial statements.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Approval of the Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements of Lion Rock as at March 31, 2025 and for the three months then ended were authorized for issue in accordance with a resolution of the directors on May 29, 2025.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim 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. However, actual outcomes can differ from these estimates.

Asset Retirement Obligation

The calculations for asset retirement obligation require significant estimates and assumptions, including estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, and the effectiveness of maintenance and restoration measures. Changes to these variables could impact the amounts actually paid by the Company. Additionally, environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

Management Judgments

The critical judgments that the Company’s management has made in the process of applying the Company’s accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company’s condensed consolidated interim financial statements are as follows:

- The assessment of the Company’s ability to continue as a going concern requires significant judgment. The condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in Note 2.
- The application of the Company’s accounting policy for exploration and evaluation assets and impairment of the capitalized costs requires judgment in determining whether there are indicators of impairment under IFRS 6 *Exploration for and Evaluation of Mineral Resources*.
- The determination of the asset retirement obligation on the Maybrun Property requires management judgment on the timing and amount of remediation costs, as disclosed in Note 8.

5. MATERIAL ACCOUNTING POLICIES

The policies applied in these condensed consolidated interim financial statements are consistent with policies disclosed in Note 5 of the consolidated financial statements for the year ended December 31, 2024, unless otherwise noted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements as at December 31, 2024 and for the year then ended.

Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively.

Depreciation is provided for using the declining-balance method at the following rate per annum:

Office equipment	20%

Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries, LRE and LRSD, are the Canadian dollar and US dollar, respectively, which is the local currency of their home jurisdictions. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's consolidated financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at each reporting period-end at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

Accounting Standards Issued but not yet Effective

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its future consolidated financial statements.

6. EXPLORATION AND EVALUATION ASSETS

Maybrun Property

As a result of the acquisition of LRE on July 7, 2022, the Company acquired 100% of the interest in the Maybrun Property, a mineral exploration property located in Ontario, Canada.

The Company has no further exploration plans for the Maybrun Property. Accordingly, at December 31, 2023, the Maybrun Property was deemed to be impaired and written down to $1.

Revell Property

On June 8, 2023, and as amended on June 21, 2024 and September 30, 2024, the Company entered into an option agreement to acquire a 100% interest in the Revell Property located in Ontario, Canada. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,600,000 common shares of the Company within five days of approval by the TSX-V, which was received on June 21, 2023 (issued and valued at $192,000);
- Pay $150,000 on or before December 21, 2023 (paid);
- Pay $100,000 on or before October 1, 2024 (paid in the year ended December 31, 2023); and
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued subsequent to March 31, 2025).

The claims are subject to a 2% net smelter return (“NSR”) royalty, of which one-half (1%) can be purchased by the Company for $500,000.

Fleuron Property

On June 13, 2023, and as amended on July 19, 2024 and September 30, 2024, the Company entered into an option agreement to acquire a 100% interest in the Fleuron Property, located in Québec, Canada. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on July 19, 2023 (issued and valued at $180,000);
- Pay $100,000 on or before January 19, 2024 (paid);
- Pay $150,000 on or before October 1, 2024 (paid);
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued subsequent to March 31, 2025); and
- Pay $150,000 (paid) and issue 2,000,000 common shares of the Company on or before July 19, 2025 (issued subsequent to March 31, 2025).

The claims are subject to a 2% NSR royalty, of which one-half (1%) can be purchased by the Company for $500,000.

At December 31, 2024, the Company recorded impairment on the property of $464,000, as the Company plans to let certain claims lapse and focus on a portion of the Fleuron Property.

Volney Property

On January 26, 2024, the Company entered into a non-binding letter of intent (“LOI”) to acquire the Volney lithium property, located in South Dakota, USA. The LOI provided for the parties to enter into a formal option agreement under which the Company could acquire the Volney Property. The Company paid US$25,000 upon execution of the LOI. On October 7, 2024, the Company entered into an option agreement to acquire a 100% interest in the Volney Property. On March 12, 2025, the Company received TSX-V approval.

6. EXPLORATION AND EVALUATION ASSETS – continued

Volney Property – continued

Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue common shares of the Company equal to 9.9% of the issued and outstanding common shares of the Company on an undiluted, post-transaction basis within five business days of TSX-V approval (issued 7,001,000 common shares of the Company valued at $1,400,200);
- Pay US$400,000 by September 12, 2025;
- Issue common shares of the Company within 10 business days of March 12, 2026, equal to the greater of:
    - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
    - the amount equal to a value of US$500,000;
- Pay US$1,050,000 by September 12, 2026;
- Issue common shares of the Company within 10 business days of March 12, 2027, equal to the greater of:
    - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
    - the amount equal to a value of US$750,000; and
- Pay US$1,950,000 by September 12, 2027.

Also under the terms of the agreement, the Company will be required to incur exploration expenditures as follows:

- Incur US$1,000,000 of exploration expenditures on the property on or before March 12, 2026; and
- Incur US$1,500,000 of exploration expenditures on the property on or before March 12, 2027.

The optionor retains:

- A 2% NSR royalty for gold mined from the property subject to a buy-back option exercisable upon the commencement of commercial production for a period of five years in favour of the Company equal to one-half (1%) of the NSR royalty for US$1,000,000; and
- A 2% gross proceeds ("GP") royalty on all other minerals mined from the property subject to a buy-back option exercisable upon the commencement of commercial production for a period of five years in favour of the Company equal to one-half (1%) of the GP royalty for US$1,000,000.

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

A summary of exploration and evaluation assets for the three months ended March 31, 2025 and year ended December 31, 2024 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Volney Property	Total
Balance, December 31, 2023	**$ 1**	**$ 442,000**	**$ 280,000**	**$ -**	**$ 722,001**
Acquisition Costs					
Acquisition – cash	-	-	300,000	34,022	334,022
Impairment	-	-	(464,000)	-	(464,000)
Balance, December 31, 2024	**1**	**442,000**	**116,000**	**34,022**	**592,023**
Acquisition Costs					
Acquisition – shares	-	-	-	1,400,200	1,400,200
Staking	-	5,600	-	-	5,600
Balance, March 31, 2025	**$ 1**	**$ 447,600**	**$ 116,000**	**$ 1,434,222**	**$ 1,997,823**

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

A summary of exploration and evaluation expenditures for the three months ended March 31, 2025 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Volney Property	Total
Exploration Costs					
Claim costs	$ 1,209	$ -	$ -	$ -	$ 1,209
Geological	-	-	-	220,759	220,759
Mineralogy	-	-	-	31,699	31,699
Balance, March 31, 2025	**$ 1,209**	**$ -**	**$ -**	**$ 252,458**	**$ 253,667**

A summary of exploration and evaluation expenditures for the three months ended March 31, 2024 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Other	Total
Exploration Costs					
Claim costs	$ 1,209	$ -	$ -	$ -	$ 1,209
Environmental	12,390	-	-	-	12,390
Geological	22,500	7,500	7,500	46,179	83,679
Mineralogy	-	-	-	500	500
Balance, March 31, 2024	**$ 36,099**	**$ 7,500**	**$ 7,500**	**$ 46,679**	**$ 97,778**

7. LOANS PAYABLE

Upon the acquisition of LRE, the Company assumed loans payable of $179,000. The amounts are unsecured, non-interest-bearing and due on demand. On September 7, 2023, the Company repaid loans payable of $54,800.

8. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation provision consists of costs associated with mine reclamation and closure activities. These activities, which are site specific, generally include costs for earthworks, revegetation, water treatment, waste management and demolition.

The Company estimated the fair value of the asset retirement obligation for the Maybrun Property to be $1,850,000 at March 31, 2025 (December 31, 2024 - $1,850,000). The fair value of the liability was determined to be equal to the estimated remediation costs. The Company is still in the early stages of developing a remediation plan, which will then require approval from the relevant governmental authorities. Due to the early stages of the remediation plan, the Company is unable to predict with any precision the timing of the cash flow related to the reclamation activities. The Company does not anticipate the reclamation activities and related costs to occur in the foreseeable future.

9. SHARE CAPITAL

a) Authorized

Unlimited number of Class A common voting shares with no par value
Unlimited number of Class B common non-voting shares with no par value

b) Issued and outstanding

During the three months ended March 31, 2025:

On February 6, 2025, Company closed the first tranche of a non-brokered private placement of 21,600,000 units at a price of $0.10 per unit for gross proceeds of $2,160,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of $0.20 for a period of two years from closing. The Company incurred additional share issuance costs of $15,389. The Company received $185,000 of share subscriptions related to the private placement in the previous fiscal year.

On February 14, 2025, Company closed the second tranche of a non-brokered private placement of 250,000 units at a price of $0.10 per unit for gross proceeds of $25,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of $0.20 for a period of two years from closing.

On March 10, 2025, the Company issued 7,001,000 common shares valued at $1,400,200 for the Volney Property (Note 6).

During the three months ended March 31, 2025, the Company received proceeds of $40,000 from the exercise of 200,000 warrants.

(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL – continued

b) Issued and outstanding – continued

During the year ended December 31, 2024:

On March 11, 2024, Company closed a non-brokered private placement of 10,000,000 units at a price of $0.10 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of $0.20 for a period of two years from closing. The Company issued 400,000 common shares and 400,000 warrants as finders' fees. Each finder's warrant is exercisable into one additional common share at a price of $0.20 for a period of two years. The finder's warrants were valued at $38,936 and the Company incurred additional share issuance costs of $7,500.

c) Warrants

A summary of the Company's outstanding and exercisable warrants movements for the three months ended March 31, 2025 and year ended December 31, 2024 is as follows:

	March 31, 2025		**December 31, 2024**	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of period	24,100,000	0.21	13,700,000	0.21
Issued	21,850,000	0.20	10,400,000	0.20
Exercised	(200,000)	0.20	-	-
Balance, end of period	45,750,000	0.20	24,100,000	0.21

The following warrants were outstanding and exercisable at March 31, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price $	Warrants
July 8, 2025*	0.27	0.25	3,000,000
August 23, 2025	0.40	0.20	10,500,000
March 11, 2026	0.95	0.20	10,400,000
February 6, 2027	1.85	0.20	21,600,000
February 14, 2027	1.88	0.20	250,000
	1.21	0.20	45,750,000

*During the year ended December 31, 2024, the Company extended the expiry date of 3,000,000 warrants to July 8, 2025 (original expiry date of July 8, 2024).

(Unaudited – Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS

Stock Options

The Company has a stock option plan (the "Plan") approved by the Company's shareholders that allows it to grant stock options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equalling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding stock options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the stock options available to grant under the Plan increase proportionately. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over twelve months with one-quarter of the options vesting in any three-month period.

A summary of the Company's outstanding and exercisable stock option movements for the three months ended March 31, 2025 and year ended December 31, 2024 is as follows:

	March 31, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of period	-	-	-	-
Issued	5,700,000	0.20	-	-
Balance, end of period	5,700,000	0.20	-	-

The fair value calculated for stock options granted during the three months ended March 31, 2025 was $710,313 (year ended December 31, 2024 - $nil) using the Black-Scholes Option Pricing Model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	March 31, 2025	December 31, 2024
Risk-free interest rate	2.53%	N/A
Expected life of options	3 Years	N/A
Annualized volatility	122%	N/A
Dividend rate	Nil	N/A
Weighted average grant date fair value	$0.12	N/A

(Unaudited – Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS – continued

Stock Options – continued

The following stock options were outstanding and exercisable at March 31, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price $	Outstanding	Exercisable
April 12, 2025*	0.03	0.20	150,000	150,000
November 9, 2025	0.61	0.20	150,000	150,000
March 10, 2028	2.95	0.20	5,400,000	5,400,000
	2.81	0.20	5,700,000	5,700,000

*See Note 14d

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of operations and comprehensive loss for the three months ended March 31, 2025 and 2024:

		2025		2024
Short-term compensation				
Accounting fees	$	15,000	$	13,000
Consulting fees		45,000		50,000
Exploration and evaluation expenditures (geological)		-		15,000
		60,000		78,000
Share-based payments		168,232		-
	$	228,232	$	78,000

During the three months ended March 31, 2025, the Company incurred $12,000 (2024 - $12,000) in rent to companies with a common officer. As at March 31, 2025, $nil (December 31, 2024 - $8,400) was payable to a company with a common officer for rent.

As at March 31, 2025, the Company has outstanding amounts payable to officers of the Company of $28,875 (December 31, 2024 - $158,110).

At March 31, 2025, the Company has an amount payable of $14,945 (December 31, 2024 - $14,945) to a private company in which an officer and director is a director.

These transactions are in the normal course of operations and have been valued in these condensed consolidated interim financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due are unsecured, non-interest-bearing and have no specific terms of repayment.

(Unaudited – Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of resource properties. Geographical information related to the Company's non-current assets is as follows:

		March 31, 2025		December 31, 2024
Exploration and evaluation assets – Canada	$	563,601	$	558,001
Exploration and evaluation assets – USA		1,434,222		34,022
Equipment – USA		21,025		-
	$	2,018,848	$	592,023

13. FINANCIAL RISK MANAGEMENT

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:

a) 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 primarily attributable to its cash balance. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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 to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has a cash balance and is not exposed to any significant interest rate risk.

d) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at March 31, 2025, the Company's shareholders' equity was $957,867 (December 31, 2024 – deficit of $1,765,697). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

13. FINANCIAL RISK MANAGMENT – continued

d) Capital management – continued

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its business plan. The capital structure of the Company currently consists of working capital and shareholders' equity (deficit). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

e) Fair value

The fair values of the Company's financial assets and liabilities measured at amortized cost approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

Cash is grouped into Level 1 as at March 31, 2025 and December 31, 2024.

Financial instruments that are not measured at fair value on the condensed consolidated interim statement of financial position are represented by accounts payable and accrued liabilities and loans payable. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

f) Currency exchange risk

Currency exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and the USA and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the US dollar will have an impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

14. SUBSEQUENT EVENTS

a) Subsequent to March 31, 2025, the Company issued 2,000,000 common shares for the Revell Property (Note 6) and 4,000,000 common shares for the Fleuron Property (Note 6).

b) Subsequent to March 31, 2025, the Company granted 1,000,000 stock options to certain directors and officers with an exercise price of $0.31 and a term to expiry of 3 years.

14. SUBSEQUENT EVENTS – continued

c) Subsequent to March 31 ,2025, the Company issued 1,650,000 common shares upon the exercise of 1,650,000 warrants for gross proceeds of $332,500.

d) Subsequent to March 31, 2025, 150,000 stock options expired unexercised.