M3 METALS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

M3 METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28, 2025
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED 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 the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

M3 METALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	Notes	February 28, 2025	August 31, 2024
		$	$
ASSETS			
Current			
Cash		**137,485**	219,979
Marketable securities	3	**948,488**	1,003,222
GST receivable		**5,295**	5,120
Prepaid expenses		**25,559**	40,532
Total current assets		**1,116,827**	1,268,853
Property and equipment	4	**2,384**	2,767
Exploration and evaluation properties	5	**1,382,560**	1,382,560
TOTAL ASSETS		**2,501,771**	2,654,180
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6, 9	**71,754**	103,993
Corporate income taxes payable		**40,425**	33,854
TOTAL LIABILITIES		**112,179**	137,847
SHAREHOLDERS' EQUITY			
Share capital	7	**44,914,506**	44,914,506
Reserves	8	**320,000**	320,000
Deficit		**(42,844,914)**	(42,718,173)
TOTAL SHAREHOLDERS' EQUITY		**2,389,592**	2,516,333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,501,771**	2,654,180

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized by the Board on April 29th, 2025.

On behalf of the Board:

/s/ “Kosta Tsoutsis”
Director

/s/ “Brian Morrison”
Director

M3 METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	Notes	For the three months ended		For the six months ended	
		February 28, 2025	February 29, 2024	**February 28, 2025**	February 29, 2024
		$	$	**$**	$
Expenses					
Consulting and director fees	9	**76,380**	174,565	**152,843**	297,918
Depreciation	4	**186**	307	**383**	614
Investor relations		**770**	485	**1,155**	3,265
Marketing		**1,501**	2,767	**3,628**	5,400
Office and administration		**12,120**	26,067	**31,570**	66,304
Professional fees		**(5,386)**	15,245	**53,079**	41,952
Transfer agent and filing fees		**10,927**	-	**21,660**	-
Travel and related		**446**	1,514	**757**	6,652
		(96,944)	(220,950)	**(265,075)**	(422,105)
Gain from option payment received		**-**	-	**-**	1,603,953
Unrealized gain (loss) on net change in fair value of marketable securities	3	**65,337**	(64,973)	**81,777**	41,569
Realized gain (loss) on sales of marketable securities	3	**-**	(18,419)	**58,816**	(259,457)
Interest and dividend income	3	**1,629**	813	**4,280**	1,390
Other income (loss)		**(836)**	(3,222)	**(2,461)**	(5,935)
		66,130	(85,801)	**142,412**	1,381,520
Net income (loss) and comprehensive income (loss) for the period before income tax		**(30,814)**	(306,751)	**(122,663)**	959,415
Income tax expense		**4,078**	-	**4,078**	-
Net income (loss) and comprehensive income (loss) for the period		**(34,892)**	(306,751)	**(126,741)**	959,415
Basic and diluted income (loss) per share		**(0.00)**	(0.03)	**(0.01)**	0.10
Weighted average number of common shares outstanding		**10,274,724**	10,274,724	**10,274,724**	9,758,240

M3 METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	For the six months ended	
	February 28, 2025	February 29, 2024
	$	$
Cash flows used in operating activities		
Loss for the period	**(126,741)**	959,415
Items not affecting cash:		
Depreciation	**383**	614
Dividend income	**(4,673)**	-
Gain on sales of exploration and evaluation properties	-	(1,603,953)
Unrealized gain on net change in fair value of marketable securities	**(81,777)**	(41,569)
Realized (gain) loss on sales of marketable securities	**(58,816)**	259,457
Changes in non-cash working capital items		-
Amounts receivable	**-**	(8,343)
GST receivable	**(175)**	-
Prepaid expenses	**14,973**	(31,569)
Accounts payable and accrued liabilities	**(32,239)**	14,149
Corporate income taxes payable	**6,571**	-
	(282,494)	(451,799)
Cash flows provided by investing activities		
Exploration and evaluation property expenditures	**-**	(16,407)
Acquisition of property and equipment	**-**	(206,152)
Proceeds from sales of exploration and evaluation properties	**-**	500,000
Proceeds received from sales of marketable securities	**200,000**	238,568
Acquisition of marketable securities	**-**	(212,000)
	200,000	304,009
Net change in cash	**(82,494)**	(147,790)
Cash, beginning of the period	**219,979**	698,825
Cash, end of the period	**137,485**	551,035
Supplemental cash flow information		
Shares issued for acquisition of exploration and evaluation assets	**-**	1,160,000
Exploration and evaluation assets in accounts payable and accrued liabilities	**-**	51,962

M3 METALS CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

	Number of Shares Issued	Share Capital	Reserves	Deficit	Total Shareholders' Equity
	#	$	$	$	$
Balance at August 31, 2023	**8,274,724**	**43,754,506**	**320,000**	**(42,778,386)**	**1,296,120**
Shares issued for E&E assets	2,000,000	1,160,000	-	-	1,160,000
Income for the period	-	-	-	959,415	959,415
Balance at February 29, 2024	**10,274,724**	**44,914,506**	**320,000**	**(41,818,971)**	**3,415,535**
Loss for the period	-	-	-	(899,202)	(899,202)
Balance at August 31, 2024	**10,274,724**	**44,914,506**	**320,000**	**(42,718,173)**	**2,516,333**
Loss for the period	-	-	-	(126,741)	(126,741)
Balance at February 28, 2025	**10,274,724**	**44,914,506**	**320,000**	**(42,844,914)**	**2,389,592**

1. NATURE AND CONTINUANCE OF OPERATIONS

M3 Metals Corp. (the "Company") was incorporated under the Canada Business Corporations Act (CBCA) on February 27, 2007 and is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol V.MT. The Company's business is to acquire, explore and develop interests in mineral properties located in North America.

The Company's registered office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, Canada, V6E 4A2. The Company maintains an executive office at Suite 300 - 1455 Bellevue Avenue, West Vancouver, BC, Canada, V7T 1C3.

The Company's exploration and evaluation properties are at the exploration and evaluation stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These condensed interim consolidated financial statements for the six months ended February 28, 2025 and 2024 (the "Financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has a deficit of $42,844,914 and has incurred ongoing losses since inception. As at February 28, 2025, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

Statement of compliance

These Financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These Financial statements were reviewed, approved and authorized for issue by the Board of Directors on April 29th, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of presentation

These Financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These Financial statements are presented in Canadian dollars unless otherwise noted.

The accounting policies applied in preparation of these Financial statements are consistent with those applied and disclosed in the Company's annual audited financial statements for the year ended August 31, 2024.

The Company's interim results are not necessarily indicative of its results for a full year.

Basis of consolidation

These Financial statements include the accounts of the Company and its wholly owned subsidiary, ML Nevada Corp. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive income (loss).

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation properties</u>
Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Use of estimates (continued)

other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forecasted dividend rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Recent accounting pronouncements

The following new standards, amendments to standards and interpretations have been issued but are not effective during the six months ended February 28, 2025. The following amendments will be in effect for annual reporting periods beginning on or after January 1, 2024:

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- Specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- Provide that management's expectations are not relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- Clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024, and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of these amendments on its consolidated financial statements.

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

3. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	February 28, 2025		August 31, 2024	
	Shares #	Fair Value $	Shares #	Fair Value $
International Metals Mining Corp.	50,000	4,000	50,000	5,000
Aurwest Resources Corporation	1,500,000	7,500	1,500,000	7,500
Cyclone Metals Ltd.	1,250,000	75,000	4,250,000	77,656
Surge Battery Metals Corp.	2,000,000	740,000	2,000,000	660,000
Money market funds	N/A	121,988	N/A	253,066
		948,488		1,003,222

International Metals Mining Corp. ("IMM")

In October 2020, the Company received 300,000 common shares of IMM at a fair value of $3.00 per share in connection with the previously held option agreement. During the year ended August 31, 2021, the Company sold 36,800 IMM common shares resulting in a net loss of $11,465. During the year ended August 31, 2023, the Company sold 63,200 IMM common shares resulting in a net loss of $245. During the year ended August 31, 2024, the Company recorded an unrealized loss on net change in fair value of marketable securities of $37,000. During the six months ended February 28, 2025, the Company recorded an unrealized loss on net change in fair value of marketable securities of $1,000 (2024 – $29,000).

Aurwest Resources Corporation ("Aurwest")

In December 2021, the Company received 1,500,000 common shares of Aurwest subject to certain escrow release conditions at a fair value of $0.10 per share in connection with the sale of an exploration and evaluation asset. These common shares were released from escrow during the year 2023. During the six months ended February 28, 2025, the Company recorded an unrealized loss on net change in fair value of marketable securities of $Nil (2024 – $7,500).

Cyclone Metals Ltd. ("Cyclone")

In May 2023, the Company received 20,000,000 common shares of Cyclone at a fair value of AUS$0.04 per share in connection with the sale of the Schefferville Property (Note 5). During the year ended August 31, 2024, the Company sold 15,750,000 Cyclone common shares for gross proceeds of $273,754 and recognized a realized loss of $296,711. During the six months ended February 28, 2025, the Company sold 3,000,000 Cyclone common shares for gross proceeds of $64,249 and recognized a realized gain of $58,816. During the six months ended February 28, 2025, the Company recorded an unrealized loss on net change in fair value of marketable securities of $2,777 (2024 – unrealized gain of $257,870).

Surge Battery Metals Corp. ("Surge")

In October 2023, the Company received 2,000,000 common shares of Surge at a fair value of $0.59 per share in connection with the Great Texas Spring Property option and joint venture agreement (Note 5). During the six months ended February 28, 2025, the Company recorded an unrealized gain on net change in fair value of marketable securities of $80,000 (2024 – unrealized loss of $180,000).

Money Market Funds ("MMF")

In February 2024, the Company invested $212,000 in money market funds and a further $35,000 in April 2024. During the six months ended February 28, 2025, the Company invested additional $64,700 in money market funds and recorded a dividend income of $4,222 (2024 – $199).

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

4. PROPERTY AND EQUIPMENT

	Computer hardware $	Equipment $	Vehicles $	Total $
At August 31, 2023	**31,502**	**24,740**	**101,524**	**157,766**
Additions	2,071	0	0	2,071
At August 31, 2024 and February 28, 2025	**33,573**	**24,740**	**101,524**	**159,837**
Depreciation:				
At August 31, 2023	**32,816**	**23,142**	**99,884**	**155,842**
Charge for the period	416	264	548	1,228
At August 31 2024	**33,232**	**23,406**	**100,432**	**157,070**
Charge for the period	94	117	172	383
At February 28, 2025	**33,326**	**23,523**	**100,604**	**157,453**
Net book value:				
At August 31 2024	341	1,334	1,092	2,767
At February 28, 2025	**247**	**1,217**	**920**	**2,384**

5. EXPLORATION AND EVALUATION ASSETS

	Great Texas Spring $	Lakshmi Property $	Total $
Balance, August 31, 2023	**152,095**	**-**	**152,095**
Property acquisition costs:			
Cash	-	206,153	206,153
Common shares	-	1,160,000	1,160,000
Exploration expenditures:			
Geological	60,550	16,407	76,957
	212,645	1,382,560	1,595,205
Value of option payment received	(500,000)	-	(500,000)
Value of common shares received	(1,180,000)	-	(1,180,000)
Gain from sale of asset	1,467,355	-	1,467,355
Balance, August 31, 2024 and February 28, 2025	**-**	**1,382,560**	**1,382,560**

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Schefferville Properties

In 2011, the Company acquired a 100% interest in a number of properties. These properties are subject to certain royalty interests and NSRs. In May 2022, the Company entered into a Tenement Sale Agreement ("TSA") with Labrador Iron Pty Ltd. ("Labrador") whereby the Company will sell its 100% right, title and interest in the Schefferville Properties in exchange for:

- cash payment of AUS$500,000 on closing (received);
- cash payment of AUS$1,000,000 on or before May 12, 2023. In the event Labrador does not make this cash payment, Labrador must issue to the Company, for no consideration, that number of common shares of Labrador that is equal to 70% of the fully diluted issued and outstanding share capital of Labrador; and
- Labrador must incur at least AUS$250,000 in eligible exploration expenses on the Schefferville Properties to keep the properties in good standing to December 31, 2022.

Should Labrador be acquired by an entity listed on a stock exchange ("Listco") prior to May 12, 2023, Listco must issue to the Company:

- That number of fully paid common shares in the capital of Listco that is equal to AUS$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued within three business days of completion of the transaction with Listco; and
- That number of fully paid common shares in the capital of Listco that is equal to AUS$500,000, divided by the 10-day VWAP of Listco's common shares as traded on the stock exchange prior to the closing date, to be issued upon the earlier of either:
    - 12 months from the date of completion of the transaction with Listco; or
    - upon definition of a JORC inferred resource on the Schefferville Properties of not less than 5 Billion tonnes containing iron ore at a grade not less than 28% within 12 months of the execution of the tenement sale agreement.

In April 2023, Labrador was acquired by Cyclone an entity listed on the stock exchange. As a result, in May 2023, Cyclone issued 20,000,000 common shares to the Company with a fair value of AUS$800,000 to acquire a 100% interest in the Schefferville Properties. M3 and Cyclone mutually agreed that the sale was completed, and Cyclone was relieved of any further commitments as outlined in the TSA.

Mohave Property

On September 21, 2019, the Company entered into an option agreement with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, "Optionors") to acquire, by way of option, up to 100% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA (collectively, the "Mohave Mine Gold Property"). Under the terms of the agreement, the Company had the option to earn up to a 100% interest in the Mohave Mine Gold Property by making cash payments of US$3,575,000 (US$225,000 paid) and incurring exploration expenditures of US$1,300,000 (US$250,000 incurred) over the period ending on or before March 31, 2025.

Upon the completion of all payments, the Company would grant a 1.5% NSR to the Optionors. In July 2020, and later amended, the Company entered into a mineral property option agreement (the "Definitive Agreement") with Millennial Potash Corp ("MLP"). Under the Definitive Agreement, MLP could earn up to a 90% interest in the Mohave Mine Gold Property by making cash payments of $6,100,000 ($450,000 received) and incurring exploration expenditures of $3,000,000 over the period ending on or before November 4, 2025.

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Mohave Property (continued)

On March 2, 2023, MLP and the Company mutually agreed to terminate the definitive agreement dated July 4, 2020 and as amended in April and October 2022 between MLP and the Company with respect to the Mohave Mine Gold Property. MLP forfeited its right to earn a 90% interest in the Mohave Mine Gold Property. In April 2023, the Company forfeited its right to acquire a 100% interest in the Mohave Mine Gold Property by terminating its agreement with the Optionors dated September 21, 2019.

G-South Property

On April 21, 2022, the Company entered into a mineral claims purchase and sale agreement to acquire 100% of the G-South property, located in the Central Cariboo Region of South Central British Columbia (the "G-South Property"). Under the terms of the agreement, the vendor is to receive a total of $20,000 (paid) and 200,000 common shares of the Company (issued with a fair value of $140,000 as consideration for the purchase).

The Company will pay a 2% NSR to the vendor on commencement of commercial production which the Company will have the right, at any time prior to the commencement of commercial production, to purchase 50% of the NSR for $1,000,000.

The G-South claims expired in February 2024, and the Company does not have intention to renew these claims. As a result, the Company recorded a write off of exploration and evaluation assets of $176,135 during the year ended August 31, 2023.

Great Texas Spring

In April 2023, the Company staked 292 mining claims for a lithium project in the Elko County region of Nevada. The Company incurred $175,027 in staking and claim maintenance costs. Of these 292 claims, 39 claims had previously been staked by another company, and as a result of title disputes, during the year ended August 31, 2023, the Company wrote-off $22,932 of costs relating to the disputed claims. The Company holds title to 253 claims (“Great Texas Springs Claims”).

On October 24, 2023, the Company obtained regulatory approval from the TSX-V for a mineral property option and joint venture agreement (the “Surge Agreement”) with Surge Battery Metals Inc. ("Surge") entered into in July 2023. The Surge Agreement grants Surge the right to earn up to an 80% interest in the Great Texas Spring Claims by making the following payments to the Company on or before the date that is five years from the date of the agreement:

i. to earn a 50% percent interest Surge must make a cash payment to the Company of $500,000 (received) and must issue to the Company a total of 2,000,000 (received at a value of $1,180,000 (Note 3)) of Surge's common shares upon Closing:
ii. to earn an additional 20% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of $250,000, issue to the Company a total of 2,000,000 of Surge's common shares and make $250,000 in exploration expenditures; and
iii. to earn an additional 10% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of $500,000 and issue to the Company a total of 1,000,000 of Surge's common shares.

In August 2024, the Company entered into a mineral property option purchase and sale agreement (“Surge Purchase Agreement”) with Surge to sell the remaining 50% interest in the Great Texas Springs Claims for 1,200,000 common shares of Surge. The Surge Purchase Agreement, superseding the Surge Agreement, is subject to Exchange approval, and will terminate if closing of the Surge Purchase Agreement has not occurred on or before June 30, 2025.

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Lakshmi Property

On October 19, 2023, the Company obtained regulatory approval from the TSX-V of a mineral property option agreement entered into in May 2023 (the "Lakshmi Option Agreement") with IMEx Consultants Inc. ("IMEx") to acquire up to an eighty (80%) percent interest in the Lakshmi Property (the "Lakshmi Property") located in California.

To obtain a 60% interest in the Lakshmi Property, the Company must:

i. Issue 2,000,000 shares (issued) to IMEx and pay a sum of US$150,000 (paid) upon regulatory approval of the Lakshmi Option Agreement; and
ii. Incur US$400,000 in exploration expenditures on the Lakshmi Property within twelve months of regulatory approval of the Lakshmi Option Agreement.

The Company can acquire the additional twenty (20%) percent interest in the Lakshmi Property by issuing an additional 2,000,000 shares to the Vendor and incurring an additional US$2,000,000 in exploration expenditures on the Lakshmi Property within thirty-six months of regulatory approval of the Lakshmi Option Agreement.

On November 1, 2024, the Company and IMEx amended the Lakshmi Option Agreement to eliminate the US$400,000 exploration expenditure requirement resulting in the Company earning the 60% interest in the Lakshmi Property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28, 2025	August 31, 2024
	$	$
Accounts payable	**2,254**	5,793
Accrued liabilities	**69,500**	98,200
	71,754	103,993

7. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value.

During the six months ended February 28, 2025:

a) There were no share capital activities during the six months ended February 28, 2025.

During the year ended August 31, 2024:

b) The Company issued 2,000,000 common shares of the Company with a fair value of $1,160,000 in connection to the Lakshmi Option Agreement (Note 5).

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

8. RESERVES

Stock options

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan and the policies of the TSX-V.

A summary of stock option activities is as follows:

	Number of options #	Weighted average exercise price $
Balance, August 31, 2024 and February 28, 2025	800,000	0.47

A summary of the options outstanding and exercisable at November 30, 2024 is as follows:

Stock options outstanding and exercisable #	Exercise price $	Expiry date
800,000	0.47	April 27, 2028
800,000		

As at February 29, 2025, the weighted average life of the outstanding stock options is 3.16 (August 31, 2024 – 3.66) years.

On December 1, 2022, 297,000 stock options with an expiry date of May 13, 2024 were cancelled. As a result, $762,102 representing the value of the reserves, was reclassified from reserves to deficit.

In April 2023, the Company granted 800,000 stock options to various directors and a consultant of the Company at an exercise price of $0.47 per share for a period of five years, vesting immediately. The options were valued at $320,000 using the Black-Scholes pricing model with the following assumptions: estimated life of five years, risk-free rate of 2.98%, volatility of 149.44%, and nil forecasted dividend yield.

Warrants

A summary of share purchase warrant activities is as follows:

	Number of warrants #	Weighted average exercise price $
Balance, August 31, 2024 and February 28, 2025	5,000,000	0.32

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

8. RESERVES (continued)

Warrants (continued)

A summary of the warrants outstanding and exercisable at November 30, 2024 is as follows:

Warrant Outstanding and Exercisable #	Exercise Price $	Expiry Date
5,000,000	0.32	February 7, 2028*

**On October 24, 2024, the expiry date of these warrants were extended from February 7, 2025 to February 7, 2028.*

As at February 28, 2025, the weighted average life of the outstanding warrants is 2.95 (August 31, 2024 – 0.44) years.

9. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Summary of key management personnel compensation:

	For the six months ended	
	February 28, 2025	February 29, 2024
	$	$
Consulting and directors' fees	90,000	170,000
Total	**90,000**	**170,000**

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the six months ended	
	February 28, 2025	February 29, 2024
	$	$
Office and administration – Rent	8,250	7,500
Total	**8,250**	**7500**

As at February 28, 2025, the Company has $1,878 (August 31, 2024 - $2,923) included in accounts payable and accrued liabilities due to officers, directors and companies controlled by officers and directors.

10. CAPITAL MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restrictions. The Company did not change its approach to capital management during the six months ended February 28, 2025.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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 Company's financial instruments consist of cash, marketable securities and accounts payable and accrued liabilities. The fair value of these financial instruments, other than marketable securities, approximates their carrying values due to the short-term nature of these instruments. Marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk
The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at February 28, 2025, the Company had foreign currency net monetary financial liabilities of US$13,947. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange loss of approximately CDN$2,014.

b) Credit risk
Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is no interest rate risk, as the Company has no interest-bearing debt subject to floating interest rates.

d) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at February 28, 2025, the Company had a cash balance of $137,485 to settle current liabilities of $112,179.

e) Commodity price risk
The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors lithium prices to determine the appropriate course of action to be taken.

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

12. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation properties. Geographic information is as follows:

	As at February 28, 2025		
	Canada	**US**	**Total**
	$	**$**	**$**
Property and equipment	2,384	-	2,384
Exploration and evaluation properties	-	1,382,560	1,382,560
	2,384	**1,382,560**	**1,384,944**

	As at August 31, 2024		
	Canada	**US**	**Total**
	$	**$**	**$**
Property and equipment	2,767	-	2,767
Exploration and evaluation properties	-	1,382,560	1,382,560
	2,767	**1,382,560**	**1,385,327**