



Condensed Consolidated Interim Financial Statements

For the Six Months Ended April 30, 2025

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed consolidated interim financial statements of Commerce Resources Corp. for the six months ended April 30, 2025, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

Commerce Resources Corp.

Condensed Consolidated Interim Statements of Financial Position

As expressed in Canadian dollars

(Unaudited – prepared by management)

	April 30, 2025	October 31, 2024
Assets		
Current		
Cash	\$ 458,352	\$ 2,486,685
Marketable securities	1,965	3,369
Short-term investment (Note 5)	23,000	23,000
Taxes and other receivables	98,830	521,692
Investment in associate (Note 10)	181,150	299,951
Due from equity investee	-	1,880
Prepaid expenses	514,443	644,991
Total current assets	1,277,740	3,981,568
Non-current		
Exploration and evaluation assets (Note 6 and Schedule I)	52,218,664	50,600,034
Reclamation bonds	80,000	80,000
Right-of-use asset (Note 14)	62,658	79,004
Total Assets	\$ 53,639,062	\$ 54,740,606
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 2,203,862	\$ 1,260,758
Due to related parties (Note 11)	297,244	224,394
Taxes payable	3,106	9,173
Liability for flow-through shares (Note 15)	-	53,369
Lease liabilities (Note 14)	36,681	34,555
Total current liabilities	2,540,893	1,582,249
Non-current		
Lease liabilities (Note 14)	37,696	56,584
Total Liabilities	2,578,589	1,638,833
Shareholders' Equity		
Share capital (Note 7)	108,424,842	108,424,842
Reserves (Notes 7 and 8)	11,367,010	11,257,510
Deficit	(68,731,379)	(66,580,579)
Total Shareholders' Equity	51,060,473	53,101,773
Total Liabilities and Shareholders' Equity	\$ 53,639,062	\$ 54,740,606

Nature of operations and continuance of operations – Note 1

Commitments - Note 9

Subsequent event - Note 16

Approved and authorized by the Board of Directors on June 24, 2025:

 "Jeremy Robinson"
 Director

 "Ian Graham"
 Director

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

Commerce Resources Corp.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

As expressed in Canadian dollars

(Unaudited – prepared by management)

	Three months ended April 30,		Six months ended April 30,	
	2025	2024	2025	2024
Expenses				
Administration fees and rent (Note 10 and 11)	\$ 45,000	\$ 45,000	\$ 90,000	\$ 87,500
Advertising and website	49,359	49,972	125,690	97,955
Consulting fees and salaries (Note 11)	546,056	98,719	1,267,909	188,946
Directors fees (Note 11)	45,000	35,000	60,000	63,750
Filing and transfer agent fees	19,481	28,402	30,060	39,712
Insurance	3,145	3,146	6,397	6,397
Lease interest (Note 14)	2,294	3,252	4,838	6,725
Office, telephone and miscellaneous	8,093	3,325	21,999	7,371
Professional fees	275,607	80,240	305,731	130,631
ROU asset depreciation (Note 14)	8,173	8,173	16,346	16,346
Share-based compensation (Note 8)	109,500	-	109,500	-
Travel and promotion	28,884	21,979	63,981	32,580
Loss before other items	(1,123,092)	(377,208)	(2,102,451)	(677,913)
Other income (expenses)				
Interest income	2,996	31,992	13,021	60,265
Equity loss of affiliates (Note 10)	(52,502)	-	(118,801)	-
Flow-through premium recovery	-	-	53,369	-
Gain (loss) on foreign exchange	(14)	-	(2,534)	(1,213)
Other income	8,000	-	8,000	-
Unrealized gain on marketable securities	(1,404)	562	(1,404)	-
	(42,924)	32,554	(48,349)	59,052
Net loss and comprehensive loss for the period	\$ (1,166,016)	\$ (344,654)	\$ (2,150,800)	\$ (618,861)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	212,021,555	168,021,555	212,021,555	168,021,555

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

Commerce Resources Corp.

Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended April 30, 2025 and 2024

As expressed in Canadian dollars

(Unaudited – prepared by management)

		Number of	Share	Share		Reserves	Deficit	Total
	Note	Shares	Capital	subscriptions received				
Balance, October 31, 2023		168,021,555	\$ 103,574,799	\$ -	\$ 11,022,110	\$ (37,880,206)	\$ 76,716,703	
Share issuance costs	7	-	(594)	-	-	-	(594)	
Net loss for the period		-	-	-	-	(618,861)	(618,861)	
Balance, April 30, 2024		168,021,555	\$ 103,574,205	\$ -	\$ 11,022,110	\$ (38,499,067)	\$ 76,097,248	
		Number of	Share	Share		Reserves	Deficit	Total
	Note	Shares	Capital	subscriptions received				
Balance, October 31, 2024		212,021,555	\$ 108,424,842	\$ -	\$ 11,257,510	\$ (66,580,579)	\$ 53,101,773	
Share-based compensation	8	-	-	-	109,500	-	109,500	
Net loss for the period		-	-	-	-	(2,150,800)	(2,150,800)	
Balance, April 30, 2025		212,021,555	\$ 108,424,842	\$ -	\$ 11,367,010	\$ (68,731,379)	\$ 51,060,473	

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

Commerce Resources Corp.**Condensed Consolidated Interim Statements of Cash Flows**

For the six months ended April 30, 2025 and 2024

As expressed in Canadian dollars

(Unaudited – prepared by management)

	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net loss for the period	\$ (2,150,800)	\$ (618,861)
Add (deduct) items not affecting cash:		
Lease interest	4,838	6,725
Depreciation of ROU asset	16,346	16,346
Deferred tax recovery	(53,369)	-
Equity loss of affiliates	118,801	-
Unrealized (gain) loss on marketable securities	1,404	-
Share-based compensation	109,500	-
	(1,953,280)	(595,790)
Changes in non-cash working capital items related to operations:		
Taxes and other receivables	416,796	(104,916)
Prepaid expenses	130,547	(340,640)
Due from equity investee	1,880	-
Due to related parties	256,899	240,879
Accounts payable and accrued liabilities	383,361	29,961
Net cash flows (used in) operating activities	(763,797)	(770,506)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Share issuance costs	-	(594)
Principal payments of lease liabilities	(21,600)	(21,600)
Net cash flows (used in) financing activities	(21,600)	(22,194)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Deferred exploration and development costs, net of tax credits received	(1,242,936)	(908,899)
Net cash flows (used in) investing activities	(1,242,936)	(908,899)
Decrease in cash and cash equivalents	(2,028,333)	(1,701,599)
Cash and cash equivalents, beginning of period	2,486,685	3,954,990
Cash and cash equivalents, end of period	\$ 458,352	\$ 2,253,391

Supplemental disclosure with respect to cash flows – Note 13

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

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Commerce Resources Corp. (“Commerce” or the “Company”) was incorporated on May 19, 1999, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is in the exploration stage and has interests in properties located in British Columbia (“BC”) and Quebec, Canada. Commerce is a public company listed on Tier 1 of the TSX Venture Exchange in Canada (“CCE”), the Frankfurt Stock Exchange in Germany (“D7H”), and the OTCQB (“CMRZF”). The head office is located at 3 Place Ville Marie, Suite 400, Montreal Quebec, and the registered and records office of the Company are located at 900 – 885 West Georgia Street, Vancouver, BC, Canada, V6C 3H1.

These condensed consolidated interim financial statements were authorized for issue by the Audit Committee and Board of Directors on June 24, 2025.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has a working capital deficit of \$1,263,153 at April 30, 2025 (October 31, 2024 - \$2,399,319 surplus), has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern and, accordingly, the appropriateness of the use of generally accepted accounting principles applicable to a going concern. In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs. There is no assurance that these initiatives will be successful.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans; however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and condensed consolidated interim statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were to be found not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

2. BASIS OF PRESENTATION - continued

Basis of Measurement and Consolidation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

On July 12, 2023, the Company incorporated Capacitor Metals Corp., a British Columbia company and a wholly-owned subsidiary of the Company. On February 15, 2024, the Company entered into a share purchase agreement with an arm's length party (the "Purchaser") pursuant to which, the Purchaser agreed to acquire all of the issued and outstanding common shares in the capital of Capacitor Metals Corp. in consideration for the aggregate purchase price of \$10.00. See Note 6.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the condensed consolidated interim financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The fair value of share-based compensation is determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options; and
- The incremental rate of borrowing used in the measurement of the lease liability was based on the interest rate of other junior mining companies' borrowing.

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS - continued

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:

- *Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs*
Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.
- *Production stage of a mine*
The determination of the date on which a mine enters the production stage is a significant judgment since capitalization of certain costs ceases upon entering production.
- *Provisions for reclamation*
Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.
- *Going concern*
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.
- *Investment in Capacitor Metals Corp.*
The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. As at April 30, 2025 and October 31, 2024, management has determined that the Company did have significant influence over Capacitor Metals Corp. Accordingly, the investment in Capacitor Metals Corp. was accounted for as an investment in associate (Note 10).

4. MATERIAL ACCOUNTING POLICY INFORMATION

The policies applied in these condensed consolidated interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended October 31, 2024. Therefore, these condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2024.

5. SHORT-TERM INVESTMENTS

At April 30, 2025, the Company had a guaranteed investment certificate ("GIC's") valued at \$23,000 (October 31, 2024: \$23,000) with an interest rate of prime less 2.95% (2024: prime less 2.95%) and a maturity date of November 6, 2025 (2024: November 6, 2025).

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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Expressed in Canadian Dollars

(Unaudited – prepared by management)

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's most significant property interests and related spending commitments (see Schedule I for a detailed breakdown):

Eldor Claims

The Company acquired, by staking and a purchase agreement, a 100% interest in the Eldor Carbonatite Complex, located in the Labrador Trough area of Quebec, Canada. During the year ended October 31, 2007, the Company purchased 8 mineral claims from Virginia Mines Inc. ("Virginia Mines"), which cover a portion of the Eldor Carbonatite. These claims are adjacent to the approximately 88 claims staked by the Company. The Company currently has 244 claims covering 11,475 hectares. Virginia Mines retains a 1% net smelter royalty ("NSR") on the 8 claims purchased from them. Additionally, 5 of the 8 claims are subject to an underlying 5% net profit royalty, which can be purchased for \$500,000.

On January 11, 2018, the Company entered into an exploration earn-in agreement with Saville Resources Inc. ("Saville") on the Eldor Niobium claims, known as the Niobium Claim Group Property. Under the exploration earn-in agreement, Saville agreed to perform \$5,000,000 of work on the claims over a five-year period to earn a 75% interest in the claims. The Company received a cash payment of \$25,000 upon signing and a cash payment of \$225,000 following Exchange approval on October 11, 2018. On February 14, 2023, the Company announced the extension of the earn-in agreement with Saville for an additional one year. During the year ended October 31, 2023, the Company and Saville jointly agreed to terminate the agreement and in consideration for the work completed, the Company forgave the outstanding debt of \$369,290 owing from Saville recorded in other receivables.

Blue River Claims – (formerly known as the Upper Fir, Verity and Fir Claims)

The Company had a 100% interest in its Blue River claims, located in the Blue River region of the Kamloops Mining District of B.C., Canada, all of which were acquired by staking.

On June 14, 2024, the Company completed a property sale agreement with Capacitor Metals Corp., an arm's length private company, to sell its interest in the Blue River property (the "Blue River Claims") located near Blue River, British Columbia. As part of the transaction, the sale also includes certain real property owned by the Company also located in Blue River, B.C. (the "Blue River Land", and together with the Blue River Claims, the "Blue River Assets"). As consideration for the Blue River Assets, the Company received 20,000,000 common shares in the capital of the Purchaser (the "Blue River Shares") fair valued at \$0.02 per share. As a result, the Company recognized a loss on sale of \$28,520,135. See Note 10.

7. SHARE CAPITAL

- a) Authorized: Unlimited common shares with no par value.
- b) Issued and outstanding: The total issued and outstanding shares of the Company total 212,021,555 as at April 30, 2025 (October 31, 2024: 212,021,555).

Shares issued during the six months ended April 30, 2025:

None

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

7. SHARE CAPITAL - continued

Shares issued during the year ended October 31, 2024:

On June 21, 2024, the Company closed a non-brokered private placement of 28,000,000 flow-through units (each, a “FT Unit”) at a price of \$0.18 per FT Unit for aggregate gross proceeds of \$5,040,000. Each FT Unit consists of one common share in the capital of the Company (each, a “FT Share”) and one transferable common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to acquire one additional non-flow through common share (each, a “Warrant Share”) at a price of \$0.25 per Warrant Share for a period of 24 months from the closing date. The FT Units were issued pursuant to an arrangement structured by Peartree Securities Inc. Pursuant to an engagement agreement (the “Term Sheet”) between the Company and Churchill SIG Pty Ltd. (“Churchill”), the Company paid cash finder’s fees to Churchill in the amount of \$162,890 (the “Cash Fee”) and issued 3,231,945 finder’s warrants (each, a “Finder’s Warrant”) to Churchill as consideration for their services in introducing certain investors who acquired securities in connection with the distribution. Each Finder’s Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a “Finder’s Warrant Share”) at a price of \$0.20 per Finder’s Warrant Share for a period of two (2) years from the date of issuance of the Finder’s Warrants. See Note 11.

On August 12, 2024, the Company closed a non-brokered private placement offering of 16,000,000 units (each, a “Unit”) at a price of \$0.126 per Unit for gross proceeds of up to \$2,016,000 (the “Offering”). Each Unit consists of one common share of the Company (each, a “Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder to purchase one Share at a price of \$0.25 per Share for a period of two (2) years from closing of the Offering (the “Closing”). Pursuant to an engagement agreement (the “Term Sheet”) between the Company and Churchill, the Company paid cash finder’s fees to Churchill in the amount of \$70,235 (the “Cash Fee”) and issued 1,393,551 finder’s warrants (each, a “Finder’s Warrant”) to Churchill as consideration for their services in introducing certain non-Canadian resident investors to the Company who acquired securities in connection with the distribution. Each Finder’s Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a “Finder’s Warrant Share”) at a price of \$0.20 per Finder’s Warrant Share for a period of two (2) years from the date of issuance of the Finder’s Warrants. The Units, Shares, Warrants, Warrant Shares, Finder’s Warrants and Finder’s Warrant Shares are subject to a statutory hold period expiring four months and one day after closing of the Offering. See Note 11.

c) Share purchase warrants:

The following is a summary of share purchase warrant transactions for the six months ended April 30, 2025 and the year ended October 31, 2024:

	April 30, 2025			October 31, 2024		
	Number of Warrants	Weighted Average Exercise Price		Number of Warrants	Weighted Average Exercise Price	
Balance, beginning of period	151,184,123	\$ 0.20		116,858,276	\$ 0.20	
Expired	-	-		(9,674,153)	0.42	
Issued	-	-		44,000,000	0.25	
Balance, end of period	151,184,123	\$ 0.20		151,184,123	\$ 0.20	

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

7. SHARE CAPITAL - continued

c) Share purchase warrants - continued:

The following share purchase warrants were outstanding and exercisable as at April 30, 2025 and October 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life (Years)	Original Exercise Price	Revised Exercise Price	April 30, 2025 Number of Warrants	October 31, 2024 Number of Warrants
May 5, 2025*	0.01	\$0.15	\$0.15	2,241,982	2,241,982
June 25, 2025	0.15	\$0.24	\$0.24	5,167,318	5,167,318
December 18, 2025	0.64	\$0.29	\$0.29	15,571,241	15,571,241
December 19, 2025	0.64	\$0.25	\$0.25	8,192,175	8,192,175
May 20, 2026	1.05	\$0.44	\$0.44	7,836,657	7,836,657
October 30, 2026	1.50	\$0.12	\$0.12	68,174,750	68,174,750
June 21, 2026	1.14	\$0.25	\$0.25	28,000,000	28,000,000
August 12, 2026	1.28	\$0.25	\$0.25	16,000,000	16,000,000
Total outstanding and exercisable	1.18		\$0.20	151,184,123	151,184,123

* See Note 16

d) Finders' warrants:

The following is a summary of finders' warrant transactions for the six months ended April 30, 2025 and the year ended October 31, 2024:

	April 30, 2025		October 31, 2024	
	Number of Finders' Warrants	Weighted Average Exercise Price	Number of Finders' Warrants	Weighted Average Exercise Price
Balance, beginning of period	10,172,247	\$ 0.15	5,546,751	\$ 0.11
Issued	-	-	4,625,496	0.20
Balance, end of period	10,172,247	\$ 0.15	10,172,247	\$ 0.15

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

7. SHARE CAPITAL - continued

d) Finders' warrants:

The following Finders' warrants were outstanding and exercisable as at April 30, 2025 and October 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life (Years)	Exercise Price	April 30, 2025 Number of Warrants	October 31, 2024 Number of Warrants
May 5, 2025*	0.01	\$0.15	2,871	2,871
June 25, 2025	0.15	\$0.24	21,700	21,700
October 30, 2025	0.50	\$0.08	4,950,000	4,950,000
December 18, 2025	0.64	\$0.29	187,250	187,250
December 19, 2025	0.64	\$0.25	16,800	16,800
May 20, 2026	1.05	\$0.44	255,920	255,920
October 30, 2026	1.50	\$0.12	112,210	112,210
June 21, 2026	1.14	\$0.20	3,231,945	3,231,945
August 12, 2026	1.28	\$0.20	1,393,551	1,393,551
Total outstanding and exercisable	0.84	\$0.15	10,172,247	10,172,247

* See Note 16

8. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However, for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

The following is a summary of option transactions under the Company's stock option plan for the six months ended April 30, 2025 and the year ended October 31, 2024:

	April 30, 2025		October 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	2,900,000	\$ 0.185	7,830,000	\$ 0.22
Granted	2,500,000	0.12	-	-
Cancelled	-	-	(1,550,000)	0.19
Expired	(2,900,000)	0.185	(3,380,000)	0.28
Balance, end of period	2,500,000	\$ 0.12	2,900,000	\$ 0.185

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at April 30, 2025:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
March 28, 2028	\$0.12	2,500,000	2.88
Total outstanding and exercisable		2,500,000	2.88

On January 6, 2025, the Company granted 9,000,000 performance share units (the “PSU’s”) to Ross Carroll, Chief Executive Officer and a director of the Company in accordance with its Equity Incentive Plan. The PSU’s will commence vesting one year after the date of grant upon successful completion of specific performance criteria. Each vested PSU represents the right to receive one common share in the capital of the Company. On March 17, 2025, Mr. Carroll’s employment with the Company was terminated by mutual agreement and the PSU’s were subsequently cancelled.

On February 21, 2025, 2,900,000 stock options priced at \$0.185 expired unexercised.

On March 18, 2025, the Company granted an aggregate of 2,500,000 incentive stock options to purchase up to 2,500,000 common shares of the Company to certain officers and consultants under its Equity Incentive Plan. The Options are exercisable for a period of three years from the date of Grant, expiring on March 18, 2028, at a price of \$0.12 per Share. The options all vest immediately.

During the year ended October 31, 2024, 1,550,000 stock options previously granted to former consultants of the Company were cancelled.

9. COMMITMENTS

On May 1, 2008, the Company entered into a Management & Administration Agreement (“Agreement”) with Zimtu Capital Corp. (“Zimtu”). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. The agreement was subsequently renewed in prior years and again on December 1, 2022 for a period of twelve months. The Company renewed the agreement on each of December 1, 2023 and 2024 for a further period of 12 months with a rate of \$15,000 per month.

On June 20, 2023, the Company signed an agreement with Zimtu Capital Corp. for services under the ZimtuADVANTAGE program. Under the terms of the agreement, the Company paid Zimtu \$12,500 per month for a period of twelve months, expiring May 31, 2024. On June 1, 2024, the Company extended the agreement for an additional twelve months with the same terms.

10. INVESTMENT IN ASSOCIATE

	Total \$
Balance, October 31, 2023	-
Shares acquired in Blue River transaction	400,000
Loss from equity investee (June 14, 2024 – October 31, 2024)	(100,049)
Balance, October 31, 2024	299,951
Loss from equity investee (November 1, 2024 – January 31, 2025)	(118,801)
Balance, April 30, 2025	181,150

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

10. INVESTMENT IN ASSOCIATE - continued

On June 14, 2024, the Company received 20,000,000 shares of Capacitor Metals Corp. ("Capacitor"), a private exploration company with a fair value of \$400,000. See Note 6.

During the six months ended April 30, 2025, the investment in associate decreased by \$118,801 (April 30, 2024: \$nil) from the equity loss of Capacitor. As at April 30, 2025, the Company holds 20,000,000 shares of Capacitor, equal to 42.47% (October 31, 2024: 42.47%) of Capacitor's outstanding common shares.

The financial information of Capacitor as of and for the six months ended April 30, 2025 and the year ended October 31, 2024:

	April 30, 2025 \$	October 31, 2024 \$
Current assets	66,241	194,488
Non-current assets	425,321	405,722
Current liabilities	399,248	165,894
Shareholders' equity	92,314	434,316
Expenses	(279,719)	(235,566)
Net loss	279,719	235,566

11. RELATED PARTY TRANSACTIONS

During the six months ended April 30, 2025 and 2024, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Six months ended April 30, 2025 2024	
Key management compensation*	\$	\$
Geological services	70,520	107,694
Administrative fees	-	87,500
Consulting fees and salaries	434,331	87,840
Director fees	60,000	63,750
Advertising and promotion	-	75,000
Total	514,851	421,784

	April 30, 2025 \$	October 31, 2024 \$
Amounts due to (from) related parties		
Dahrouge Geological Consulting (a)	-	184,049
Ian Graham (b)	-	4,471
Jeremy Robinson (c)	132,500	33,374
Adam Ritchie (d)	2,500	2,500
Ross Carroll (e)	141,244	-
Jody Bellefleur (f)	21,000	-
Due to related parties – Net total	297,244	224,394

Commerce Resources Corp.

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For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

11. RELATED PARTY TRANSACTIONS - continued

- (a) Dahrouge Geological Consulting (“Dahrouge”) provides geological services to the Company. Dahrouge is controlled by former director of the Company, Jody Dahrouge, who resigned December 23, 2024. Dahrouge is no longer considered a related party
- (b) Ian Graham is a director of the Company and acts as Chairman of the Board
- (c) Churchill SIG Pty Ltd. provides advisory services to the Company and has a common director, Jeremy Robinson.
- (d) Adam Ritchie is a director of the Company
- (e) Ross Carroll is the former President, CEO and a director of the Company
- (f) Jody Bellefleur is the CFO of the Company

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company’s executive officers and certain members of its Board of Directors.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm’s length basis.

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

12. FINANCIAL INSTRUMENTS

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company’s activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company’s exposure to each of the above risks and the Company’s objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these condensed consolidated interim financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company’s cash and short-term investments are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company monitors its credit risk management practices continuously to evaluate their effectiveness.

At April 30, 2025, the Company held cash of \$458,352 (October 31, 2024: \$2,486,685) and short-term, investments of \$23,000 (October 31, 2024: \$23,000) with Canadian chartered banks.

The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

12. FINANCIAL INSTRUMENTS - continued

b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at April 30, 2025, the Company has total current liabilities of \$2,490,893 (October 31, 2024: \$1,582,249). Management intends to meet these obligations by raising funds through future financings.

c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company's marketable securities and investment in asset-backed commercial paper are subject to market risk.

i) Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not directly exposed to commodity price risk at this time.

The Company has made technical studies (Preliminary Economic Assessments) conducted by independent third parties on two of its mineral properties. Those studies include future commodity price assumptions which were considered reasonable by the study authors. These assumptions contribute to the preliminary assessment of potential viability of the projects, and to the valuation of each asset on the basis of those project and price assumptions. Insofar as the Company and its management relies on those studies for its future ability to raise capital, significant longer term changes in the price of the minerals comprising the project deposits may have an influence on the Company.

iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company invests part of the cash balance in a variable rate GIC. The exposure to interest rate risk, however, is limited due to the short-term nature of the GIC.

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

12. FINANCIAL INSTRUMENTS - continued

d) Fair Value

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 following is an analysis of the Company's financial assets measured at fair value as at April 30, 2025 and October 31, 2024:

	As at April 30, 2025		
	Level 1	Level 2	Level 3
Short-term investments	\$ 23,000	\$ -	\$ -
Marketable securities	1,965	-	-
	\$ 24,965	\$ -	\$ -

	As at October 31, 2024		
	Level 1	Level 2	Level 3
Short-term investments	\$ 23,000	\$ -	\$ -
Marketable securities	3,369	-	-
	\$ 26,369	\$ -	\$ -

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at April 30, 2025, the Company's shareholders' equity was \$51,110,473 (October 31, 2024: \$53,101,773). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties. The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management during the period.

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The following transactions have been excluded from the statement of cash flows:

During the six months ended April 30, 2025:

- Exploration and evaluation assets of \$1,669,205 were included in accounts payable.

During the six months ended April 30, 2024:

- Exploration and evaluation assets of \$42,239 were included in accounts payable and \$33,190 were included in due to related parties; and
- Amortization of \$5,446 relating to equipment was included in exploration and evaluation assets.

14. LEASE LIABILITIES

On April 1, 2022, the Company entered a five-year premises lease for storage space. The incremental borrowing rate was estimated by management to be 12% per annum.

a) Right of use asset

As at April 30, 2025 and October 31, 2024, the right-of-use asset recorded for storage premises is as follows:

Balance, October 31, 2023	\$	111,696
Depreciation		(32,692)
Balance, October 31, 2024	\$	79,004
Depreciation		(16,346)
Balance, January 31, 2025	\$	62,658

b) Lease liability

The net change in the lease liability is as follows:

Balance, October 31, 2023	\$	121,805
Principal payments		(30,666)
Balance, October 31, 2024	\$	91,139
Principal payments		(16,762)
Balance, April 30, 2025	\$	74,377

During the six months ended April 30, 2025, interest of \$4,838 (April 30, 2024 - \$6,725) is included in lease interest expense.

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		April 30, 2025
Undiscounted minimum lease payments		
Less than one year	\$	21,600
Two to five years		61,200
		<u>82,800</u>
Effect of discounting		(8,424)
Present value of minimum lease payments		<u>74,376</u>
Less current portion		(36,681)
Long-term portion	\$	<u>37,696</u>

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

15. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On June 21, 2024, the Company issued 28,000,000 common shares on a “flow-through” basis at a price of \$0.18 per Share for gross proceeds of \$5,040,000. The flow-through proceeds are to be renounced on December 31, 2024. At April 30, 2025, the Company had incurred the \$5,040,000 in qualified expenditures.

	Issued on June 21, 2024
Balance, October 31, 2023	\$ -
Liability incurred on flow-through shares issued	1,680,000
Settlement of flow-through share liability on incurred expenses	(1,626,631)
Balance, October 31, 2024	\$ 53,369
Settlement of flow-through share liability on incurred expenses	(53,369)
Balance, April 30, 2025	\$ -

16. SUBSEQUENT EVENTS

On May 5, 2025, 2,241,982 share purchase warrants priced at \$0.15 and 2,871 finders warrants priced at \$0.15 expired unexercised.

On May 13, 2025, the Company announced the completion of a non-brokered private placement of secured convertible notes (the “Notes”) for gross proceeds of \$2,150,000. The Notes accrue interest at a rate of 20.0% per annum, calculated on the basis of the actual number of days elapsed in an applicable interest period and on the basis of a year of 365 or 366 days, as the case may be (the “Interest”) and mature on May 12, 2027 (the “Maturity Date”). Unless converted or redeemed in accordance with the terms of the Notes, the principal amount of the Notes (the “Principal Amount”) will be owing and accrued Interest due and payable at the Maturity Date.

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

Schedule of Resource Properties (2025)**Schedule I**

	Eldor Claims
For the six months ended April 30, 2025	
Acquisition costs	
Balance, beginning of period	\$ 1,403,382
Staking and renewals	-
Balance, end of the period	1,403,382
Deferred exploration and development costs	
Balance, beginning of period	49,196,652
Assays and analytical	86,109
Camp, food and accommodation	7,976
Field equipment rental and supplies	16,681
Geology, mapping and drafting	251,517
Insurance	13,542
Lobbying and consulting	18,554
Metallurgy	1,217,700
Other	1,965
Travel and transport	4,586
	1,618,630
Balance, end of period	50,815,282
Total balance, end of period	\$ 52,218,664

Commerce Resources Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended April 30, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

Schedule of Resource Properties (2024)**Schedule I**

For the year ended October 31, 2024	Blue River Claims	Eldor Claims	Totals
Acquisition costs			
Balance, beginning of year	\$ 201,602	\$ 1,403,382	\$ 1,604,984
Staking and renewals	-	-	-
Balance, end of the year	201,602	1,403,382	1,604,984
Deferred exploration and development costs			
Balance, beginning of year	28,368,158	42,402,697	70,770,855
Amortization – field equipment and office	4,549	-	4,549
Assays and analytical	-	234,643	234,643
Camp, food and accommodation	8,164	227,032	235,196
Drilling	-	1,111,888	1,111,888
Environmental and permitting	-	8,425	8,425
Field equipment rental and supplies	1,874	1,400,507	1,402,381
Fuel	-	49,018	49,018
Geology, mapping and drafting	224	1,100,395	1,100,619
Insurance	6,152	15,382	21,534
Lobbying and consulting	-	29,378	29,378
Metallurgy	-	1,181,213	1,181,213
Other	37,250	10,276	47,526
Project management	-	35,193	35,193
Travel and transport	-	1,390,605	1,390,605
	58,213	6,793,955	6,852,168
Balance, end of year	28,426,371	49,196,652	77,623,023
Sale and write-off of Blue River	(28,627,973)	-	(28,627,973)
Total balance, end of year	\$ -	\$ 50,600,034	\$ 50,600,034

Report on review of condensed consolidated interim financial statements

To the Shareholders of Commerce Resources Corp.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statement of Commerce Resources Corp. as at April 30, 2025, and the related condensed consolidated interim statements of operations and comprehensive loss, changes in equity and cash flows for the six-month period then ended, and the related notes, comprising material accounting policy information and other explanatory information. Management is responsible for the preparation and presentation of this condensed consolidation interim financial information in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the condensed consolidation interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
June 24, 2025