

2025

Third Quarter

Financial Report

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended May 31, 2025 and 2024



NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying condensed interim consolidated financial statements of Tocvan Ventures Corp. (the “Company”) have been prepared by management and approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

July 30, 2025



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

As at	May 31, 2025	August 31, 2024
ASSETS		
CURRENT	\$	\$
Cash	108,182	101,639
Receivables (Note 5)	474,602	60,785
Prepaid expenses (Note 6)	177,926	42,430
Financial assets (Note 4)	1,378,440	678,395
TOTAL CURRENT ASSETS	2,139,150	883,249
Financial assets – non-current (Note 4)	580,405	452,339
Exploration and evaluation assets (Notes 3, 10)	10,223,431	8,834,758
TOTAL ASSETS	12,942,986	10,170,346
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	822,113	879,269
Due to related parties (Note 10)	791,499	603,459
Debenture payable (Notes 4,9)	1,128,957	775,205
TOTAL CURRENT LIABILITIES	2,742,569	2,257,933
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	17,212,227	13,990,750
Reserves (Notes 4,8)	2,953,161	2,360,247
Deficit	(9,964,971)	(8,438,584)
TOTAL SHAREHOLDERS' EQUITY	10,200,417	7,912,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,942,986	10,170,346

Nature and continuance of operations (Note 1)
Subsequent Event (Note 14)

“Brodie Sutherland”
Director

“Greg Ball”
Director



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	2025	May 31, 2024	2025	May 31, 2024
		<i>Restated⁽¹⁾</i>		<i>Restated⁽¹⁾</i>
EXPENSES	\$	\$	\$	\$
Advertising and promotion	227,372	49,316	494,811	136,843
Audit and accounting	7,517	3,084	30,776	32,206
Consulting (Note 10)	115,500	302,096	537,237	530,096
Legal	2,534	21,789	10,074	47,722
Management fees (Note 10)	12,000	12,000	36,000	36,000
Meals and entertainment	-	-	-	959
Office and miscellaneous	(78,422)	12,074	44,722	36,036
Regulatory fees	12,915	15,271	42,521	47,256
Share-based compensation (Notes 8,10)	47,736	8,106	551,526	287,350
Travel	7,063	4,340	30,908	17,808
Operating expenses	(354,215)	(428,076)	(1,778,575)	(1,172,276)
Other gain (loss)				
Foreign exchange gain (loss)	(123,654)	(34,045)	649	(46,078)
Interest expense	(3,734)	(4,143)	(10,820)	(15,543)
Realized gain (loss) on financial assets (Note 4)	230,366	(267,725)	356,101	(800,800)
Unrealized gain on financial assets (Note 4)	358,633	569,102	263,651	790,433
Unrealized gain (loss) on debenture payable (Note 9)	(191,772)	(165,621)	(357,393)	447,008
Realized loss on debenture payable (Note 9)	-	-	-	(693,570)
Net loss and comprehensive loss for the period	(84,376)	(330,508)	(1,526,387)	(1,490,826)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.03)	(0.03)
Weighted average number of shares outstanding – basic and diluted	59,427,207	46,575,447	55,744,420	44,916,613

(1) Refer to Note 13 for details regarding restatement

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian dollars)

	Share Capital		Obligation to issue shares	Reserves	Deficit	Total Equity
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
Balance at August 31, 2023 - Restated⁽¹⁾	39,985,108	10,378,754	-	1,945,929	(7,267,121)	5,057,562
Shares issued on conversion of debenture payable	1,683,600	1,380,552	-	-	-	1,380,552
Shares issued for exploration and evaluation assets	525,000	210,000	-	-	-	210,000
Shares issued for financial assets	4,585,714	416,503	-	-	-	416,503
Shares issued for interest	16,364	6,459	-	-	-	6,459
Units issued for cash	4,415,733	1,663,528	-	32,012	-	1,695,540
Share issuance costs	-	(175,722)	-	50,581	-	(125,141)
Shares to be issued for exploration and evaluation assets	-	-	86,250	-	-	86,250
Share-based compensation	-	-	-	287,350	-	287,350
Loss for the period	-	-	-	-	(1,490,826)	(1,490,826)
Balance at May 31, 2024 - Restated⁽¹⁾	51,211,519	13,880,074	86,250	2,315,872	(8,757,947)	7,524,249
		\$	\$	\$	\$	\$
Balance at August 31, 2024	51,472,019	13,990,750	-	2,360,247	(8,438,584)	7,912,413
Shares issued for exploration and evaluation assets	500,000	260,000	-	-	-	260,000
Units issued for financial asset	4,012,500	1,242,881	-	-	-	1,242,881
Shares issued on exercise of finders' warrants	116,645	46,607	-	-	-	46,607
Shares issued on exercise of subscribers' warrants	794,200	417,150	-	-	-	417,150
Shares issued for interest	28,658	14,329	-	-	-	14,329
Shares issued for service	431,250	207,000	-	-	-	207,000
Units issued for cash	2,382,473	1,130,865	-	12,722	-	1,143,587
Share issuance cost	-	(97,355)	-	28,666	-	(68,689)
Share-based compensation	-	-	-	551,526	-	551,526
Loss for the period	-	-	-	-	(1,526,387)	(1,526,387)
Balance at May 31, 2025	59,737,745	17,212,227	-	2,953,161	(9,964,971)	10,200,417

(1) Refer to Note 13 for details regarding restatement



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	2025	May 31, 2024
		<i>Restated⁽¹⁾</i>
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss	(1,526,387)	(1,490,826)
Items not involving cash		
Interest expense	10,820	15,543
Foreign exchange	(2,086)	45,538
Share-based compensation	551,526	287,350
Shares issued for service	207,000	–
Unrealized gain on financial assets	(263,651)	(790,433)
Realized (gain) loss on financial assets	(356,101)	800,800
Unrealized (gain) loss on convertible debenture	357,393	(447,008)
Realized loss on convertible debenture	–	693,570
Changes in non-cash working capital items		
Prepaid expenses	(135,496)	(18,899)
Receivables	(309,413)	(5,108)
Accounts payable and accrued liabilities	(335,950)	(298,390)
Due to related parties	(57,759)	28,865
Net cash used in operating activities	(1,860,104)	(1,178,998)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	1,143,587	1,695,540
Share issuance costs	(68,689)	(125,141)
Proceeds from warrants exercised	463,757	–
Receipts from settlement of financial assets	930,118	946,842
Net cash provided by financing activities	2,468,773	2,517,241
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(603,563)	(966,480)
Net cash used in investing activities	(603,563)	(966,480)
Change in cash	5,106	371,763
Effect of exchange rate changes on cash	1,437	540
Cash, beginning	101,639	20,825
Cash, ending	108,182	393,128

(1) Refer to Note 13 for details regarding restatement



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS – *continued*

(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	2025	May 31, 2024
SUPPLEMENTAL CASH FLOW INFORMATION		<i>Restated⁽¹⁾</i>
<i>Exploration and evaluation assets included in:</i>	\$	\$
Accounts payable	595,755	91,333
Due to related party	673,948	120,509
<i>Reconciliation of cash by currency type (in Canadian dollars equivalent)</i>		
In CAD	39,648	322,798
In USD	64,656	69,468
In MXN	3,878	862
Cash, ending	108,182	393,128
NON-CASH TRANSACTIONS		
Units issued for financial assets	1,242,881	416,503
Shares issued for exploration and evaluation assets	260,000	210,000
Shares issued on conversion of debenture payable	–	1,380,552
Shares issued for interest	14,329	6,459
Shares issued for service	207,000	–

(1) Refer to Note 13 for details regarding restatement

**Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the “Company”) was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company’s shares trade on the Canadian Securities Exchange (the “CSE”) under the symbol “TOC” and on OTC QB under the symbol “TCVNF”.

The Company’s head office address is Suite 820, 1130 West Pender Street, Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6, Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. (“Burgencio”). Burgencio’s office address is Blvd. Morelos No, 639, Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

The Company is engaged in the acquisition, exploration and development of mineral properties. At May 31, 2025, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. At May 31, 2025, the Company had an accumulated deficit of \$9,964,971 and is expected to incur further losses. The Company will require additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company’s ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. These adjustments could be material.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with IFRS[®] Accounting Standards (“IFRS”) and IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim consolidated financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited consolidated financial statements. Since the condensed interim consolidated financial statements do not include all disclosures required by the IFRS, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended August 31, 2024.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on July 30, 2025.

Basis of preparation

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, unless otherwise stated, which is the functional currency of the Company and its subsidiary, Burgencio. The functional currency is determined to be the currency of the primary economic environment in which the Company and Burgencio operate.

Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Burgencio. 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 the subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with those used by the Company.

Use of estimates, assumptions, and judgments

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the reporting year. Significant areas requiring the use of management estimates relate to provisions for restoration and environmental obligations and contingent liabilities, share-based compensation, deferred taxes, and the valuation and remeasurement of the financing transactions.

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

The most significant judgments applying to the Company's condensed interim consolidated financial statements include:

- 1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
- 2) the determination that the Company will continue as a going concern for the next years;
- 3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets; and
- 4) classification of financial instruments issued in the financing transactions as liabilities or equity.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets

Title to exploration and evaluation (“E&E”) assets involve certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers, therefore, rights of ownership may be affected by undetected defects.

Period ended May 31, 2025	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Option payments accrued	–	130,860	130,860
Surface mining taxes accrued	58,321	17,045	75,366
Shares issued	260,000	–	260,000
Balance, May 31, 2025	4,032,775	790,640	4,823,415
Deferred exploration expenditures			
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Geologist fees and assays	880,946	41,501	922,447
Balance, May 31, 2025	4,733,708	666,308	5,400,016
Total E&E assets, May 31, 2025	8,766,483	1,456,948	10,223,431

Year ended August 31, 2024	Gran Pilar	El Picacho	Total
Acquisition costs	\$	\$	\$
Balance, August 31, 2023	2,640,000	196,789	2,836,789
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	2,965,862	523,494	3,489,356
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	7,567,216	1,267,542	8,834,758

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

Gran Pilar Project, Sonora, Mexico

Option Agreement with Colibri

On September 22, 2019, the Company signed an option agreement (the “Pilar Agreement”) to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the “Pilar Project”) from Colibri Resource Corp. (“Colibri”). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

Due dates	Cash Payments	Exploration work	Shares
	\$	\$	
September 22, 2019	125,000	Nil	2,000,000
September 21, 2020	125,000	175,000	1,000,000
September 21, 2021	25,000	425,000	1,000,000
September 21, 2022	75,000	400,000	1,000,000
September 21, 2023	75,000	500,000	–
September 21, 2024	–	500,000	–
TOTAL	425,000 (paid)	2,000,000 (completed)	5,000,000 (issued)

On December 19, 2023, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at \$210,000, which was included in acquisition costs. The anti-dilution clause expired on September 22, 2024.

As at May 31, 2025, the Company owns 51% of this portion of the Pilar Project as all commitments and conditions of the option agreement had been completed. Furthermore, the Company has elected to enter into a joint venture with Colibri for the remaining portion (49%) of the area. As of the date of these condensed interim consolidated financial statements, the Company continues negotiating a definitive joint venture agreement.

Option Agreement with SVP

On October 17, 2023, the Company entered into a definitive agreement (the “SVP Agreement”) with Suaqui Verde Properties (“SVP”), for an option to acquire a 100% interest in certain mining concessions consisting of 2,173-hectare contiguous land immediately adjacent and north of the Pilar Project. Under the terms of the SVP Agreement, the Company agreed to the following commitments:

Due dates	Cash payments	Exploration work	Shares
	US\$	US\$	
October 17, 2023 – On closing ⁽¹⁾	250,000 (paid)	–	–
Six months after closing ⁽²⁾	200,000 (paid)	–	250,000 (issued)
October 17, 2024 ⁽³⁾	–	100,000 (completed)	500,000 (issued)
October 17, 2025	1,050,000	150,000 (completed)	500,000
October 17, 2026	1,150,000	250,000	750,000
October 17, 2027	650,000	250,000	250,000
October 17, 2028	700,000	250,000	250,000
TOTAL	4,000,000	1,000,000	2,500,000

⁽¹⁾ The \$341,175 payment (US\$250,000) was made in December 2023.

⁽²⁾ On August 8, 2024, the Company issued 250,000 common shares valued at \$120,000. The \$275,880 payment (US\$200,000) was made in April of 2025.

⁽³⁾ The Company issued 500,000 common shares valued at \$260,000 in December of 2024

Notes to the Condensed Interim Consolidated Financial Statements For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

After the initial five-year period, the Company has the right to elect to extend the Agreement by another ten years by starting advance royalty payments or purchasing full title ownership through an additional payment of US\$500,000. SVP retains a 2% NSR.

During the nine months ended May 31, 2025, the Company incurred \$880,946 in deferred exploration costs on Gran Pilar Project (August 31, 2024 – \$886,900) and, subsequent to May 31, 2025, paid \$70,300 (US\$49,485) in surface mining taxes due for Gran Pilar Project.

El Picacho Project, Sonora, Mexico

Millrock Agreement and Suarez Assignment

On June 7, 2021, the Company signed a letter of commitment (the “Millrock Agreement”) to purchase El Picacho Project (“El Picacho Project”) from Recursos Millrock S. de R.L. de C.V. (“Millrock”). On signing of the letter of commitment, the Company made an initial payment of \$94,196 (US\$78,000).

On September 15, 2021, the Company entered into an assignment agreement (the “Suarez Assignment”) with Millrock for an initial five-year option to acquire El Picacho Project from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho Project consists of 12 mining concessions totaling 2,395 hectares.

To acquire 100% interest in El Picacho Project, the Company is required to pay Suarez Brothers US\$1,985,600 and an additional payment of US\$60,000 will be required to gain surface rights to use the Picacho Ranch. Both payments are to be paid in a series of instalments ending on June 11, 2026. Millrock is to retain a 2% NSR with the option for the Company to purchase back 1% for US\$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty (“AAMR”) of US\$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

A summary of the commitments under the Suarez Assignment to acquire El Picacho Project and surface rights is as follows:

Due dates	Option payments	Surface rights payments
	US\$	US\$
June 11, 2021 – Closing	5,000 <i>(paid by Millrock)</i>	6,000 <i>(paid by Millrock)</i>
December 11, 2021	Nil	6,000 <i>(paid)</i>
June 11, 2022	21,400 <i>(paid)</i>	6,000 <i>(paid)</i>
December 11, 2022	21,400 <i>(paid)</i>	6,000 <i>(paid)</i>
June 11, 2023	21,400 <i>(paid)</i>	6,000 <i>(paid)</i>
December 11, 2023	21,400 <i>(paid)</i>	6,000 <i>(paid)</i>
June 11, 2024	105,400 <i>(paid)</i>	6,000 <i>(paid)</i>
	144,600 <i>(accrued)</i>	
December 11, 2024	Nil	6,000 <i>(accrued)</i>
June 11, 2025 ⁽¹⁾	650,000	6,000
December 11, 2025	Nil	6,000
June 11, 2026	1,000,000	6,000
TOTAL	1,990,600	66,000

(1) The due date for the 4th anniversary payment, initially due on June 11, 2025, was extended to August 31, 2025.

During the nine months ended May 31, 2025, the Company incurred \$41,501 in deferred exploration costs on El Picacho Project (August 31, 2024 - \$101,313).

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVPL)

The continuity table below summarizes, as at May 31, 2025 and August 31, 2024, the financial assets associated with Sorbie Bornholm LP (“Sorbie”) equity swap agreements:

Financial assets at fair value through profit and loss (FVPL)	May 31, 2025	August 31, 2024
	\$	\$
Balance, beginning of the period	1,130,734	1,355,240
Addition	1,242,881	1,116,398
Cash settlement payments	(930,118)	(1,336,723)
Change in cash receivable subsequent to the end of the period	(104,404)	74,802
Realized gain (loss) on financial assets	356,101	(828,685)
Unrealized gain from change in fair value of financial assets	263,651	749,702
Balance, end of the period	1,958,845	1,130,734

April 24, 2024, Equity Swap Agreement with Sorbie Bornholm LP

On April 24, 2024, the Company entered into a financing transaction (the “Sorbie 3 Transaction”) with Sorbie whereby the Company agreed to issue 4,585,714 units (the “Sorbie 3 Units”) for a total consideration of \$1,500,000. The Sorbie 3 Units consisted of one common share at \$0.35 and one share purchase warrant entitling Sorbie to purchase one additional common share at \$0.50 until April 24, 2027.

The \$1,500,000 to be received for the Sorbie 3 Units are being paid out in 24 monthly cash payments (the “Sorbie 3 Settlements”) that were measured against a benchmark price of \$0.48 per share (the “Sorbie 3 Benchmark”) with a set number of shares totaling \$1,500,000 at Sorbie 3 Benchmark.

The actual cash paid out under each Sorbie 3 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 3 Settlements. If the measured share price is above the Sorbie 3 Benchmark, the Company receives more than 100% of the expected Sorbie 3 Settlements. However, if the share price is below the Sorbie 3 Benchmark, the Company receives less than 100% of the Sorbie 3 Settlements.

To determine the fair value of the Sorbie 3 Settlements, the Company used a Monte Carlo Simulation. Based on the terms of the Sorbie 3 Transaction, the Company calculated the expected future VWAP of the Company’s share price at each Sorbie 3 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 3 Settlements at April 24, 2024, and to revalue the remaining value of Sorbie 3 Settlements at May 31, 2025:

As at	May 31, 2025	April 24, 2024
Sorbie 3 Benchmark	\$0.48	\$0.48
Total number of Sorbie 3 Settlements	12	24
Share price on the valuation date	\$0.64	\$0.355
Volatility	67.49%	65.00%
Risk-free rate	2.58%	4.27%
Fair value of expected Sorbie 3 Settlements	\$505,566	\$1,116,398

To determine the allocation of the fair value of the Sorbie 3 Settlements, the Company analyzed Sorbie 3 Units under IFRS 9 and IAS 32 guidance. The Company determined that Sorbie 3 Units were equity

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

instruments, and the fair value of Sorbie 3 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 3 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 3 Units were determined to have a \$Nil value.

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		\$		\$
Common shares	4,585,714	1,627,928	100%	1,116,398
Warrants	4,585,714	–	0%	–
Total		1,627,928		1,116,398

During the nine months ended May 31, 2025, the Company received a total of \$646,015 (May 31, 2024 – \$Nil) in Sorbie 3 Settlements and, at May 31, 2025, had a further \$85,404 (August 31, 2024 – \$55,534) recorded as receivable.

The difference between Sorbie 3 Settlements fair value as at the initial recognition on April 24, 2024, and the actual cash received is recorded as realized gain or loss on financial assets. For the nine months ended May 31, 2025, the Company recorded a realized gain on settlement of \$259,079 (May 31, 2024 – \$10,267).

At May 31, 2025, the fair value of the future Sorbie 3 Settlements was determined to be \$505,566 (August 31, 2024 – \$1,130,734). The difference between the initial valuation of the Sorbie 3 Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the period ended May 31, 2025, the Company recognized \$208,361 unrealized loss due to the revaluation of Sorbie 3 Settlements (May 31, 2024 – \$356,462 gain).

December 10, 2024, Equity Swap Agreement with Sorbie Bornholm LP

On December 10, 2024, the Company entered into a financing transaction (the “Sorbie 4 Transaction”) with Sorbie whereby the Company agreed to issue 4,012,500 units (the “Sorbie 4 Units”) for a total consideration of \$1,800,000. The Sorbie 4 Units consisted of one common share at \$0.48 and one share purchase warrant entitling Sorbie to purchase one additional common share at \$0.75 until December 10, 2027.

The \$1,800,000 to be received for the Sorbie 4 Units are being paid out in 24 monthly cash payments (the “Sorbie 4 Settlements”) that were measured against a benchmark price of \$0.66 per share (the “Sorbie 4 Benchmark”) with a set number of shares totaling \$1,800,000 at Sorbie 4 Benchmark.

The actual cash paid out under each Sorbie 4 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 4 Settlements. If the measured share price is above the Sorbie 4 Benchmark, the Company receives more than 100% of the expected Sorbie 4 Settlements. However, if the share price is below the Sorbie 4 Benchmark, the Company receives less than 100% of the Sorbie 4 Settlements.

To determine the fair value of the Sorbie 4 Settlements, the Company used a Monte Carlo Simulation. Based on the terms of the Sorbie 4 Settlements, the Company calculated the expected future VWAP of the Company’s share price at each Sorbie 4 Settlement date, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk-free rate to determine the present value of the future cash flows. The Company used the following assumptions to determine the initial value of the Sorbie 4 Settlements at December 10, 2024, and to revalue the remaining value of Sorbie 4 Settlements at May 31, 2025:

Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian dollars)

As at	May 31, 2025	December 10, 2024
Sorbie 4 Benchmark	\$0.66	\$0.66
Total number of Sorbie 4 Settlements	20	24
Share price on the valuation date	\$0.64	\$0.46
Volatility	64.70%	66.37%
Risk-free rate	2.62%	2.89%
Fair value of expected Sorbie 4 Settlements	\$1,453,279	\$1,242,881

To determine the allocation of the fair value of the Sorbie 4 Settlements, the Company analyzed Sorbie 4 Units under guidance available under IFRS 9 and IAS 32. The Company determined that Sorbie 4 Units were equity instruments, and the fair value of Sorbie 4 Settlements was allocated to share capital. The warrants were valued using the residual method, whereby the fair value of Sorbie 4 Settlements was first allocated to the shares, with the remaining value assigned to the warrants. The warrants issued as part of the Sorbie 4 Units were determined to have a \$Nil value.

Securities Issued	Quantity	Fair Value	Allocation	Prorated Value
		\$		\$
Common shares	4,012,500	2,126,625	100%	1,242,881
Warrants	4,012,500	–	0%	–
Total		2,126,625		1,242,881

During the nine months ended May 31, 2025, the Company received a total of \$284,103 (May 31, 2024 – \$Nil) in Sorbie 4 Settlements and recorded \$74,534 as receivable (August 31, 2024 – \$Nil). The difference between Sorbie 4 Settlements fair value as at the initial recognition on December 10, 2024, and the actual cash received is recorded as realized gain or loss on financial assets. For the nine months ended May 31, 2025, the Company recorded a realized gain on settlement of \$97,022 (May 31, 2024 – \$Nil).

At May 31, 2025, the fair value of the future Sorbie 4 Settlements was determined to be \$1,453,279 (August 31, 2024 – \$Nil). The difference between the initial valuation of the Sorbie 4 Settlements and their value at the reporting date is recorded as unrealized gain or loss. For the period ended May 31, 2025, the Company recognized \$472,012 unrealized gain due to the revaluation of Sorbie 4 Settlements (May 31, 2024 – \$Nil).

Sensitivity Analysis

The following table illustrates the impact of a 10% increase and a 10% decrease in the Company's share price on the fair value of the financial assets and financial liabilities from Sorbie transactions:

Sorbie Transactions	Fair Value	10% Share Price Increase	10% Share Price Decrease
	\$	\$	\$
Sorbie 3 Settlements	505,566	502,938	505,052
Sorbie 4 Settlements	1,453,279	1,606,364	1,303,152
Total	1,958,845	2,109,302	1,808,204

**Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian dollars)

5. RECEIVABLES

Description	May 31, 2025	August 31, 2024
	\$	\$
Sorbie Settlements receivable	159,938	55,534
Subscription receivable	288,000	-
GST receivable	26,664	5,251
	474,602	60,785

6. PREPAID EXPENSES

Description	May 31, 2025	August 31, 2024
	\$	\$
Regulatory fees	23,954	17,930
Advertising and promotion	112,631	24,500
Consulting fees	15,004	-
Management fees (Note 10)	26,337	-
	177,926	42,430

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Description	May 31, 2025	August 31, 2024
	\$	\$
Accounts payable	779,253	744,429
Accrued liabilities	42,860	134,840
	822,113	879,269

8. SHARE CAPITAL

Authorized and issued

The authorized share capital consists of an unlimited number of common shares without par value (the "Common Shares") and an unlimited number of shares designated as preferred shares. At May 31, 2025, the Company had 59,737,745 common shares (August 31, 2024 – 51,472,019) and no preferred shares issued and outstanding.

Shares issued during the nine months ended May 31, 2025

During the nine months ended May 31, 2025, 794,200 subscribers' warrants were exercised for gross proceeds of \$417,150. During the same period, 116,645 finders' warrants were exercised for gross proceeds of \$46,607. These finders' warrants were initially valued at \$21,068, which was recorded as part of reserves.

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(Unaudited - Expressed in Canadian dollars)

On December 10, 2024, the Company issued 4,012,500 units to Sorbie as part of the Sorbie 4 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.75 per share and expires on December 10, 2027. The units were valued based on the fair value of expected Sorbie 4 Settlements, which was determined to be \$1,242,882 using Monte Carlo Simulation (Note 4). In relation to the financing arrangement, the Company incurred a total of \$10,000 in legal fees and \$5,641 in financing fees.

On December 10, 2024, the Company closed a non-brokered private placement, issuing 636,083 units for gross proceeds of \$305,320 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share for a period of 36 months from the closing date. A total of \$12,722 was allocated to the warrant reserve using the residual method.

In relation to the private placement, the Company paid \$7,500 in legal fees and \$24,696 in finders' fees. In addition, the Company issued 51,450 finders' warrants valued at \$10,656. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, exercisable within 36 months from the closing date. The finders' warrants were valued using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.46
Exercise price	\$0.48
Exercise term	36 months
Risk free rate	2.85%
Volatility	67.02%

On December 27, 2024, the Company issued 500,000 common shares valued at \$260,000 to Suaqui Verde Properties under the SVP Agreement (Note 3).

On February 11, 2025, the Company issued 28,658 common shares valued at \$14,329 to settle accrued interest payable on Sorbie Notes (Note 9).

On February 18, 2025, the Company closed a non-brokered private placement, issuing 1,746,390 units for gross proceeds of \$838,267 at \$0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share, expiring 36 months from the closing date. As at May 31, 2025, \$288,000 in subscriptions continued to be receivable.

In relation to the private placement, the Company paid \$9,750 in legal fees and incurred \$15,744 in finders' fees. In addition, the Company issued 82,800 finders' warrants valued at \$18,010. Each finder's warrant entitles the holder to acquire one additional common share at \$0.48 per share, exercisable within 36 months from the closing date. The finders' warrants were valued using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.48
Exercise price	\$0.48
Exercise term	36 months
Risk free rate	2.80%
Volatility	65.48%

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On February 18, 2025, the Company issued 431,250 units valued at \$207,000 to various consultants for services rendered. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.75 per share, expiring 36 months from the closing date.

Shares issued during the year ended August 31, 2024

On November 1, 2023, the Company issued 854,000 common shares to Sorbie on conversion of 700 Sorbie Notes, with a fair value of \$380,030 (Note 9).

On November 28, 2023, the Company closed the first tranche of a non-brokered private placement, issuing 820,000 units for gross proceeds of \$369,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.60 per share, exercisable within 24 months from the issuance date. The warrants were valued at \$8,200 using the residual method and recorded in reserves.

In connection with the closing of the first tranche of the private placement, the Company paid a total of \$32,400 in cash finders' fees, \$7,500 in legal fees, and issued 72,000 finders' warrants. Each finder's warrant entitles the holder to acquire one common share at \$0.44 per share, exercisable within 24 months from the closing of the first tranche. The finders' warrants were valued at \$12,733 using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.44
Exercise price	\$0.45
Exercise term	24 months
Risk free rate	4.29%
Volatility	70.70%

On December 11, 2023, the Company closed the second and final tranche of the non-brokered private placement, issuing 680,333 units for gross proceeds of \$306,150. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.60 per share for 24 months from the closing date. The warrants were valued at \$23,812 using the residual method and recorded in reserves.

In connection with the second tranche of the private placement, the Company paid \$5,550 in legal fees and \$15,165 in finders' fees; in addition, the Company issued 33,700 finders' warrants. Each finder's warrant entitles the holder to acquire one additional common share at \$0.45 per share, exercisable within 24 months from the closing of the second tranche. The finders' warrants were valued at \$5,363 using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.415
Exercise price	\$0.45
Exercise term	24 months
Risk free rate	4.18%
Volatility	70.66%

On December 12, 2023, the Company issued 5,387 common shares valued at \$2,397 to settle accrued interest payable on Sorbie Notes.

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(Unaudited - Expressed in Canadian dollars)

On December 19, 2023, the Company issued 525,000 common shares valued at \$210,000 to Colibri in accordance with the anti-dilution clause of the Pilar Agreement (Note3).

On February 2, 2024, the Company issued 829,600 common shares to Sorbie upon the conversion of 680 Sorbie Notes, with a fair value of \$306,952 (Note 9) and 10,977 common shares valued at \$4,062 to settle its interest payable on Sorbie Notes.

On April 24, 2024, the Company closed the first tranche of a non-brokered private placement issuing 1,713,800 units at \$0.35 per unit for gross proceeds of \$599,830. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.50 per share, exercisable within 36 months from the closing of the first tranche, subject to accelerated expiry provisions. The warrants were valued at \$Nil using the residual method.

In connection with the private placement, the Company paid a total of \$10,000 in legal fees, \$52,885 in cash finders' fees, and issued 151,000 finders' warrants exercisable at \$0.35 per common share, expiring on April 24, 2027. The finders' warrants were valued at \$26,935 using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.35
Exercise price	\$0.35
Exercise term	36 months
Risk free rate	4.16%
Volatility	73.77%

Concurrent with the closing of April 24, 2024, private placement, the Company issued 4,585,714 units to Sorbie under Sorbie 3 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at \$0.50 per share and expires on April 24, 2027. The units were valued based on the fair value of expected Sorbie 3 Settlements, which was determined to be \$1,116,398 using Monte Carlo Simulation (Note4).

On May 8, 2024, the Company closed its second and final tranche of the non-brokered private placement issuing 1,201,600 units for gross proceeds of \$420,560. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at \$0.50 per share, exercisable within 36 months from the closing date. The Company paid \$10,000 in legal fees, \$11,641 in cash finders' fees, and issued 33,260 finders' warrants exercisable at \$0.35 per common share, expiring on May 8, 2027. The finders' warrants were valued at \$5,923 using Black Scholes Option Pricing Model with the following assumptions:

Share price	\$0.35
Exercise price	\$0.35
Exercise term	36 months
Risk free rate	4.06%
Volatility	73.54%

On June 26, 2024, the Company issued 10,500 common shares on the exercise of finders' warrants for gross proceeds of \$4,725.

On August 8, 2024, the Company issued 250,000 shares valued at \$120,000 to Suaqui Verde Properties under the SVP Agreement (Note 3).

Notes to the Condensed Interim Consolidated Financial Statements For the Three and Nine Months Ended May 31, 2025 and 2024

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Stock Options

The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of five years and vest as determined by the Board of Directors.

A summary of option activities is as follows:

	Nine months ended May 31, 2025		Year ended August 31, 2024	
	Number of Stock Options	Weighted Average Exercise Price \$	Number of Stock Options	Weighted Average Exercise Price \$
Outstanding, beginning of the period	3,362,500	0.58	2,662,500	0.60
Expired	(150,000)	0.40	–	n/a
Granted	1,675,000	0.50	700,000	0.50
Outstanding, end of the period	4,887,500	0.56	3,362,500	0.58
Exercisable, end of the period	4,387,500	0.57	3,262,500	0.58

As at May 31, 2025, the following incentive stock options were outstanding:

Number	Exercise Price \$	Life In Years	Expiry Date	Exercisable
181,250	0.35	0.28	September 11, 2025	181,250
281,250	0.40	0.31	September 21, 2025	281,250
100,000	0.40	0.54	December 15, 2025	100,000
150,000	0.35	0.64	January 19, 2026	150,000
200,000	0.80	0.92	May 3, 2026	200,000
200,000	0.45	1.50	December 1, 2026	200,000
1,200,000	0.72	2.18	August 5, 2027	1,200,000
400,000	0.72	2.89	April 20, 2028	400,000
500,000	0.50	3.35	October 3, 2028	500,000
1,675,000	0.50	9.70	February 11, 2035	1,175,000
4,887,500	0.56	4.60		4,387,500

As at May 31, 2025, the weighted average life of the options was 4.60 years.

Share-based compensation

On February 11, 2025, the Company granted stock options to acquire up to 1,675,000 common shares to certain directors, officers and consultants. The options entitle the holders to acquire one common share for each option at a price of \$0.50, expiring February 11, 2035. A total of 1,175,000 options vested immediately; of the remaining 500,000 options, 50% (250,000 options) vest 12 months following the grant date and another 50% (250,000 options) vest 24 months after the grant date. The fair value of the options was calculated to be \$713,993 using Black Scholes Option Pricing Model with the following assumptions: share price – \$0.50; exercise price – \$0.50; expected life – 10 years; expected volatility – 86.22%; risk-free rate – 3.10%.

During the nine months ended May 31, 2025, the Company recognized \$551,526 (May 31, 2024 – \$287,350) in share-based compensation associated with options granted on December 1, 2023 and February 11, 2025.

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Warrants

On April 29, 2025, the Company's board of directors approved an amendment of the terms of 6,626,980 common share purchase warrants (the "Warrants") issued to Sorbie as part of the Sorbie 1 transaction (Note 9). The following table provides the detailed information on the amendment:

Number of Warrants	Market Price of Underlying Shares	Original Exercise Price	Amended Exercise Price	Original Expiry Date	Amended Expiry Date
	\$	\$	\$		
1,713,490	0.82	1.40	0.90	June 28, 2025	June 28, 2026
1,713,490	0.82	1.30	1.30	June 28, 2025	June 28, 2026
3,200,000	0.82	1.20	1.20	June 28, 2025	June 28, 2026

A summary of warrant activities was as follows:

	Nine months ended May 31, 2025		Year ended August 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Outstanding, beginning of the period	16,492,546	0.83	9,546,755	1.21
Issued	6,960,473	0.48	9,291,507	0.51
Exercised	(910,845)	0.41	(10,500)	0.45
Expired	–	n/a	(2,335,216)	1.14
Outstanding, end of the period	22,542,174	0.79	16,492,546	0.83

At May 31, 2025, the following subscribers' warrants were outstanding:

Expiry Date	Number of Subscribers' Warrants	Weighted Average Exercise Price
		\$
June 28, 2026	1,713,490	1.30
June 28, 2026	1,713,490	0.90
June 28, 2026	3,200,000	1.20
April 5, 2026	584,559	0.68
November 28, 2025	674,000	0.60
December 11, 2025	625,833	0.60
April 24, 2027	5,943,514	0.50
May 8, 2027	963,900	0.50
December 10, 2027	4,648,583	0.75
February 18, 2028	2,177,640	0.75
	22,245,009	0.78

At May 31, 2025, the weighted average life of the subscribers' warrants was 1.76 years.

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At May 31, 2025, the following finders' warrants were outstanding:

Expiry Date	Number of Finders' Warrants	Weighted Average Exercise Price
		\$
November 28, 2025	25,000	0.45
December 11, 2025	30,225	0.45
April 24, 2027	108,100	0.35
May 8, 2027	13,315	0.35
December 10, 2027	37,725	0.48
February 18, 2028	82,800	0.48
	297,165	0.42

At May 31, 2025, the weighted average life of the finders' warrants was 1.95 years.

9. CONVERTIBLE NOTES

On June 28, 2022, the Company entered into a financing transaction (the "Sorbie 1 Transaction") with Sorbie whereby the Company agreed to issue 3,200,000 units (the "Sorbie 1 Unit") at \$0.82 per unit (each unit consisted of one common share and one common share purchase warrant) and 2,809 convertible notes with a face value of \$1,000 per note (the "Sorbie Notes") in exchange for 24 monthly cash payments (the "Sorbie 1 Settlements") that were measured against a benchmark price of \$1.10 per share (the "Sorbie 1 Benchmark") with a set number of shares totaling \$5,125,000 at Benchmark. In connection with the Sorbie Notes, the Company issued 1,713,490 detachable warrants that entitle Sorbie to purchase up to 1,713,490 additional common shares at \$1.30 per share until June 28, 2026, as amended, and an additional 1,713,490 detachable warrants that entitle Sorbie to purchase up to an additional 1,713,490 common shares at \$0.90 per share until June 28, 2026, as amended (Note 8).

The Sorbie Notes mature on June 28, 2025. Each Sorbie Note has a coupon rate of 1% per annum, non-compounding, and is payable in common shares. Each note is convertible into 1,220 common shares, provided that in the event of a takeover offer at a price lower than \$0.82 per share, the conversion price shall be substituted for the price at which the takeover offer is made. The Sorbie Notes can be converted to shares at the discretion of Sorbie, provided that notice in writing setting out the number of Sorbie Notes to be converted and the proposed date for conversion is given to the Company at least five business days prior to the proposed date for conversion. In addition, the Sorbie Notes cannot be redeemed prior to the maturity date, when they automatically convert to Common Shares of the Company. Because the conversion price is not fixed, at initial recognition, the Company recorded the fair value of the Sorbie Notes, being \$2,810,124, as debenture payable.

During the year ended August 31, 2024, the Company issued 1,683,600 common shares valued at \$686,982 on conversion of 1,380 Sorbie Notes and issued a further 16,364 common shares for accrued interest payable of \$6,459 at an average price of \$0.39 per share. The conversion of Sorbie notes resulted in a realized gain of \$693,570. During the nine months ended May 31, 2025, Sorbie did not convert any Sorbie Notes.

At May 31, 2025, the Company recognized the fair value of the remaining 1,429 Sorbie Notes at \$1,128,957 and recorded an unrealized loss of \$357,393 (May 31, 2024 – \$447,008 gain) on revaluation, which resulted from the increase of the Company's share price from \$0.435 at August 31, 2024, to \$0.64 on May 31, 2025.

During the nine-month period ended May 31, 2025, the Company recognized \$10,688 (May 31, 2024 – \$15,543) in interest expense related to the Sorbie Notes. On May 31, 2025, \$13,194 (August 31, 2024 – \$16,835) in accrued interest remained payable.

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During the nine months ended May 31, 2025, Sorbie notified the Company that it had transferred 263 Sorbie Notes valued at \$263,000 to a third party.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the nine months ended May 31, 2025 and 2024 was as follows:

Related party transactions	May 31, 2025	May 31, 2024
	\$	\$
Consulting fees	9,000	9,000
Deferred exploration expenditures	302,165	249,520
Management fees	36,000	36,000
Share-based compensation	260,868	40,683
	608,033	335,203

During the nine months ended May 31, 2025, the Company incurred \$36,000 (May 31, 2024 – \$36,000) in management fees and \$9,000 (May 31, 2024– \$9,000) in deferred exploration expenditures to a company controlled by the CEO. As at May 31, 2025, \$26,337 was due from the CEO (August 31, 2024 – \$Nil); this amount was included in prepaid expenses (Note 6).

During the nine months ended May 31, 2025, the Company incurred \$293,165 (May 31, 2024 – \$240,520) in deferred exploration expenditures to a company controlled by a director. As at May 31, 2025, \$791,499 (August 31, 2024 – \$604,294) was owed to the related party.

During the nine months ended May 31, 2025, the Company incurred \$9,000 (May 31, 2024– \$9,000) in consulting fees to the Company's CFO. As at May 31, 2025, \$Nil (August 31, 2024 – \$Nil) was owed to the CFO.

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

11. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's capital management objective is to ensure the Company's ability to continue as a going concern by maintaining adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

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12. FINANCIAL INSTRUMENTS

a. Fair Value

The Company's cash, receivables, accounts payable, accrued liabilities, and due to related parties are classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial assets and debenture payable are all classified at FVTPL. Financial assets and liabilities at fair value through profit and loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

Description	May 31, 2025	August 31, 2024
	\$	\$
Financial assets at amortized cost (i)	582,784	162,424
Financial assets at fair value through profit and loss (ii)	1,958,845	1,130,734
Financial liabilities at amortized cost (iii)	1,613,612	1,482,728
Financial liabilities at fair value through profit and loss (iv)	1,128,957	775,205

(i) Cash and receivables (Note 5)

(ii) Monthly Settlements resulting from Sorbie Transactions (Note 4)

(iii) Due to related parties, accounts payable and accrued liabilities (Notes 7 and 10)

(iv) Convertible debenture payable issued as a result of Sorbie 1 Transaction (Note 9)

b. Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution, Sorbie Settlements receivable as a result of Sorbie Transactions, and to a smaller extent GST receivable from the Government of Canada.

c. 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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and operating expenditures by raising additional funds through share issuances when required. The Sorbie Notes mature on June 28, 2025 (Note 9) however, will only be settled through conversion to shares. The Company's other financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at May 31, 2025, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting year.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

As of May 31, 2025	CAD Equivalent	Currency	+/- 10% Fluctuation Increase	(Decrease)
	\$		\$	\$
Cash	64,657	USD	6,466	(6,466)
Cash	3,878	MXN	388	(388)
Accounts payable and accrued liabilities	(667,612)	USD	(66,761)	66,761
Accounts payable and accrued liabilities	(420)	MXN	(42)	42
Accounts payable and accrued liabilities	(15,613)	EURO	(1,561)	1,561
Due to related parties	(791,499)	USD	(79,150)	79,150
Total	(1,406,609)		(140,660)	140,660

e. Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f. Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company. The Company is exposed to equity price risk since Sorbie Monthly Settlements are affected by the movement of the Company's share price.

13. RESTATEMENT

The comparative figures for the three and nine months ended May 31, 2025, have been restated as the Company has reassessed the classification of warrants issued as part of Sorbie 1 Transaction and Sorbie 2 Transaction (together the "Sorbie Transactions").

The Company determined that warrants issued as part of the Sorbie 1 Transaction and the Sorbie 2 Transaction met the criteria to be classified as equity rather than liabilities.

The impact of the above reclassification of warrants was as follows:

Consolidated Statements of Loss and Comprehensive Loss

Three months ended	May 31, 2024 (As previously reported)	Restatement	May 31, 2024 (Restated)
	\$	\$	\$
Unrealized loss on warrants payable	(355,246)	355,246	-
Net loss and comprehensive loss for the period	(685,754)	355,246	(330,508)
Basic and diluted loss per share	(0.01)		(0.01)

Nine months ended	May 31, 2024 (As previously reported)	Restatement	May 31, 2024 (Restated)
	\$	\$	\$
Unrealized gain on warrants payable	254,078	(254,078)	-
Net loss and comprehensive loss for the period	(1,236,748)	(254,078)	(1,490,826)
Basic and diluted loss per share	(0.03)		(0.03)

**Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended May 31, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars)

14. SUBSEQUENT EVENT

Subsequent to May 31, 2025, the Company issued 1,742,683 Common Shares on conversion of outstanding Sorbie Notes totaling \$1,429,000 and 25,518 Common Shares on conversion of accrued interest of \$14,290 (Notes 8 and 9).