Condensed Interim Financial Statements

For the three months ended December 31, 2024

(Unaudited - Expressed in Canadian Dollars)

The accompanying unaudited condensed interim financial statements of Core Assets Corp. for the three months ended December 31, 2024, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Core Assets Corp.

Condensed Interim Statements of Financial Position
As expressed in Canadian dollars
(Unaudited – prepared by management)

		December 31, 2024		September 30, 2024
Assets				
Current				
Cash and cash equivalents	**$**	**1,236,861**	$	1,471,705
GST and other receivables		**22,125**		93,992
Prepaid expenses		**27,710**		62,020
		1,286,696		1,627,717
Promissory notes (Note 9)		**38,717**		38,717
Exploration and evaluation assets (Note 6 and Note 9)		**12,414,361**		12,183,025
Reclamation bonds (Note 5)		**37,200**		37,200
	$	**13,776,974**	$	13,886,659
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**48,160**	$	73,621
Due to related parties (Note 9)		**143,100**		103,852
		191,260		177,473
Deferred income taxes (Note 13)		**975,000**		975,000
		1,166,260		1,152,473
Shareholders' Equity				
Share capital (Note 7)		**15,548,318**		15,548,318
Reserves (Note 8)		**3,109,046**		2,959,940
Deficit		**(6,046,650)**		(5,774,072)
		12,610,714		12,734,186
	$	**13,776,974**	$	13,886,659

Approved and authorized by the Board of Directors on February 27, 2025:

"Nicholas Rodway"	*"Joshua Vann"*
Director	Director

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

Core Assets Corp.

Condensed Interim Statements of Operations and Comprehensive Loss
For the three months ended December 31,
As expressed in Canadian dollars
(Unaudited – prepared by management)

		2024		2023
Expenses				
Administrative fees (Note 9)	**$**	**40,000**	$	37,500
Advertising and travel expenses		**21,221**		110,105
Consulting fees and salaries (Note 9)		**61,764**		81,103
Legal fees		**1,882**		3,439
Office and miscellaneous		**5,152**		7,492
Professional fees		**-**		3,515
Share-based payments (Note 8)		**149,105**		99,588
Transfer agent and filing fees		**9,222**		14,475
Loss before other items		**288,346**		357,217
Other items				
Interest income		**(15,768)**		(20,837)
Net loss & comprehensive loss for the period	**$**	**(272,578)**	$	(336,380)
Basic and diluted loss per share	**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding – Basic and diluted		**127,105,689**		81,966,500

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

Core Assets Corp.
Condensed Interim Statements of Changes in Equity
For the three months ended December 31, 2024 and 2023
As expressed in Canadian dollars
(Unaudited – prepared by management)

	Number of Shares		Share Capital		Reserves		Deficit		Total
Balance, September 30, 2023	**84,789,432**	**$**	**10,362,096**	**$**	**2,269,172**	**$**	**(3,824,462)**	**$**	**8,806,806**
Shares issued for cash (Note 7)	16,392,505		1,967,101		-		-		1,967,101
Flow-through shares issued (Note 7)	25,923,752		3,629,325		-		-		3,629,325
Share issuance costs	-		(410,204)		157,071		-		(253,133)
Share-based payments (Note 8)	-		-		99,588		-		99,588
Net loss for the period	-		-		-		(336,380)		(336,380)
Balance, December 31, 2023	**127,105,689**	**$**	**15,548,318**	**$**	**2,525,831**	**$**	**(4,160,842)**	**$**	**13,913,307**

	Number of Shares		Share Capital		Reserves		Deficit		Total
Balance, September 30, 2024	**127,105,689**	**$**	**15,548,318**	**$**	**2,959,940**	**$**	**(5,774,072)**	**$**	**12,734,186**
Share-based payments (Note 8)	-		-		149,106		-		149,106
Net loss for the period	-		-		-		(272,578)		(272,578)
Balance, December 31, 2024	**127,105,689**	**$**	**15,548,318**	**$**	**3,109,046**	**$**	**(6,046,650)**	**$**	**12,610,714**

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

Core Assets Corp.

Condensed Interim Statements of Cash Flows
For the three months ended December 31, 2024 and 2023
As expressed in Canadian dollars
(Unaudited – prepared by management)

	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net loss for the period	**$ (272,578)**	$ (336,380)
Add (deduct) items not affecting cash:		
Share-based compensation	**149,106**	99,588
Changes in non-cash working capital items related to operations:		
GST and other receivables	**71,867**	95,275
Prepaid expenses	**34,310**	(146,533)
Accounts payable and accrued liabilities	**4,649**	(56,195)
Due to related parties	**11,745**	231,552
Net cash flows (used in) operating activities	**(901)**	(112,693)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common shares	**-**	5,596,426
Share issuance costs	**-**	(253,133)
Net cash flows from financing activities	**-**	5,343,293
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Exploration and evaluation costs	**(233,943)**	(522,453)
Net cash flows used in investing activities	**(233,943)**	(522,453)
Increase (decrease) in cash	**(238,844)**	4,708,147
Cash, beginning of period	**1,471,705**	217,903
Cash and cash equivalents, end of period	**$ 1,236,861**	$ 4,926,050

See also Note 12.

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Core Assets Corp. ("Core Assets" or the "Company") was incorporated on April 20, 2016, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia ("BC"), Canada. The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

On July 8, 2020, the Company received final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company's shares were listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CC". The Company's shares also trade on the OTCQB under the symbol "CCOOF" and on the Frankfurt Stock Exchange under the symbol "A2QCCU".

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on February 27, 2025.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has working capital of $1,095,436 at December 31, 2024 (September 30, 2024: $1,450,244), 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. 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 financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and 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 not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the 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 condensed interim 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").

2. BASIS OF PRESENTATION - continued

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

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 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; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

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 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.
- 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The policies applied in these condensed interim consolidated financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended September 30, 2024. These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2024.

Certain new standards, interpretations and amendments to existing standards issued by the IASB or IFRIC may have become mandatory or have been issued subsequent to the year ended September 30, 2023. However, none have been identified as applicable or are consequential to the Company.

5. RECLAMATION BOND

At December 31, 2024, the Company has a reclamation security deposit of $37,200 (September 30, 2024: $37,200) with the Ministry of Energy, Mines and Low Carbon Innovation for the exploration program on the Blue Property.

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's property interests and related spending commitments:

Blue Property

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company paid $100,000 and issued 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of $50,000 issued during the year ended September 30, 2019 and 2,000,000 with a fair value of $225,000 were issued during the year ended September 30, 2021).

On August 1, 2019, the Company signed an agreement with Zimtu, whereby the Company can earn a 100% interest in and to the Silver Lime Property, in British Columbia by issuing 1,000,000 common shares (issued) of the Company.

In August 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu ($23,025). The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property. In June 2021, the Company acquired 6 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu of $26,095 plus 20% interest for a total of $31,314.

During the year ended September 30, 2021, the Company staked an additional 82,257 ha of land, increasing its land package to approximately 108,337 ha. The cost of the staking was $140,950.

On April 6, 2022, the Company acquired a 100% interest in two mineral tenures, consisting of approximately 3,311 ha, known as the Atlin Lake Claims, at a cost of $10,000 (paid) from an individual. The two tenures cover the western side of the Willison glacier.

During the year ended September 30, 2023, two mineral tenure licences were staked totaling approximately 2,326 ha, North of the Kim Project.

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS – continued

Blue Property - continued

The following are the expenditures on the Blue Property for the three months ended December 31, 2024 and the year ended September 30, 2024:

		December 31, 2024		September 30, 2024
Opening balance	$	12,183,025	$	8,759,191
Acquisition costs – cash and staking		-		-
Assays		73,048		202,115
Camp and accommodations		-		408,807
Drilling		-		631,935
Field supplies and rentals		(193)		346,075
Fuel		-		25,683
Geological expenses and geophysical survey		151,085		837,138
Reports and other		-		4,554
Travel and transport		7,396		1,146,548
Mining tax credit recovery		-		(179,021)
Ending balance	$	12,414,361	$	12,183,025

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 are 127,105,689 as at December 31, 2024 (September 30, 2024: 127,105,689).

During the three months ended December 31, 2024:

No shares were issued during the three months ended December 31, 2024.

During the year ended September 30, 2024:

i. On November 17, 2023, the Company completed a non-brokered private placement issuing 16,392,505 Units ("Unit") at a price of $0.12 per Unit for gross proceeds of $1,967,101. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of $0.22 per Warrant Share.

Expressed in Canadian dollars

7. SHARE CAPITAL - continued

During the year ended September 30, 2024: - continued

Additionally, on November 17, 2023, the Company completed a non-brokered private placement issuing 25,923,752 Flow-through Units ("FT Unit") at a price of $0.14 per FT Unit for gross proceeds of $3,629,325. Each FT Unit is comprised of one common share (each, a "FT Share") in the capital of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one transferable common share purchase warrant (each whole warrant, a "FT Warrant"). Each whole FT Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a "FT Warrant Share") for a period of two years from the Closing Date at an exercise price of $0.22 per FT Warrant Share.

The Company paid cash finder's fees of $217,137 and issued 1,543,157 broker warrants (each, a "Broker Warrant") to certain finders. Each Broker Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a "Broker Warrant Share") for a period of two years from the Closing Date at an exercise price of $0.12 per Broker Warrant Share.

c) Share purchase warrants / finder's warrants:

The following is a summary of warrant transactions for the three months ended December31, 2024 and the year ended September 30, 2024:

	December 31, 2024		September 30, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	31,805,940	$ 0.25	17,123,470	$ 0.40
Granted	-	-	22,701,286	0.22
Expired	-	-	(8,018,813)	0.47
Balance, end of period	31,805,940	$ 0.25	31,805,940	$ 0.25

Expressed in Canadian dollars

7. SHARE CAPITAL - continued

c) Share purchase warrants / finder's warrants:

The following warrants were outstanding and exercisable as at December 31, 2024:

Expiry Date	Exercise Price	Number of Warrants	Contractual Life (Years)
August 25, 2025**	$0.25	5,506,000	0.65
February 17, 2025***	$0.47	3,502,393	0.13
February 17, 2025***	$0.47*	96,264	0.13
November 17, 2025	$0.22	12,961,876	1.13
November 17, 2025	$0.22	8,196,253	1.13
November 17, 2025	$0.22*	1,543,157	1.13
Total outstanding and exercisable		31,805,940	1.01

*Broker warrants
**During the year ended September 30, 2024, the Company extended these warrants by 2 years. All other terms remain the same.
***See Note 13

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 three months ended December 31, 2024 and the year ended September 30, 2024:

	December 31, 2024			September 30, 2024		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance, beginning of period	13,690,000	$	0.27	7,690,000	$	0.38
Granted	-		-	6,000,000		0.135
Balance, end of period	13,690,000	$	0.27	13,690,000	$	0.27

Expressed in Canadian dollars

8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at December 31, 2024:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
March 3, 2026	$0.50	4,175,000	1.17
June 19, 2027	$0.23	3,515,000	2.47
April 25, 2029	$0.135	6,000,000	4.32
Total outstanding options	$0.27	13,690,000	2.88
Total exercisable options	$0.39	6,682,500	2.18

On April 25, 2024, the Company granted 6,000,000 stock options to certain directors, officers and consultants of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 5 years from the date of Grant, expiring on April 25, 2029, at a price of $0.135 per Share. The options shall vest 12.5% on date of grant, then an additional 12.5% every six months until fully vested.

On June 19, 2023, the Company granted 3,515,000 stock options to certain directors, officers and consultants of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 4 years from the date of Grant, expiring on June 19, 2027, at a price of $0.23 per Share, vesting over four years in increments of 12.5% every six months. The weighted average share price, at the date of exercise, of stock options exercised during the year was $0.335.

On March 3, 2022, the Company granted 4,500,000 stock options to certain directors, officers, employees and consultants of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 4 years from the date of grant, expiring March 3, 2026, at a price of $0.50 per common share, vesting over two years in increments of 25% every 6 months.

During the three months ended December 31, 2024, $149,105 (December 31, 2023 - $99,588) was charged to share-based payments. The following assumptions were used for the Black-Scholes pricing model calculations:

	March 3, 2022	**June 19, 2023**	**April 25, 2024**
Risk-free interest rate	1.52%	4.20%	3.89%
Expected stock price volatility	144.6%	127.94%	121.16%
Expected option life in years	4 years	4 years	5 years
Dividend rate	Nil	Nil	Nil

Expressed in Canadian dollars

9. RELATED PARTY TRANSACTIONS

During the three months ended December 31, 2024 and 2023, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Three months ended December 31,	
Key management compensation*	**2024**	**2023**
Exploration and evaluation asset expenditures	$ 68,500	$ 53,500
Wages to key management	40,500	45,000
Share-based payments	107,001	-
Administrative fees	-	37,500
Advertising	-	27,000
Total	$ 216,001	$ 163,000

* 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.

On June 11, 2021, the Company granted 1,920,000 bonus shares to two directors and paid the payroll taxes due by the directors and received promissory notes for reimbursement of these taxes. As at December 31, 2024, $38,717 (September 30, 2024: $38,717) remains payable to the Company.

As at December 31, 2024, there was $143,100 (September 30, 2024: $103,852) due to related parties of the Company.

Zimtu Capital Corp. ("Zimtu") provides key management services and investor relations services to the Company and at December 31, 2024 holds 7.61% (September 30, 2024 – 7.88%) of the Company's shares. During the year ended September 30, 2024, in connection with the issuance of shares and the resignation of a common director, the Company and Zimtu ceased to be a related party.

On August 1, 2020, the Company entered into a Management Services Agreement ("Agreement") with 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. On August 1, 2022, the Agreement was renewed for an additional sixteen months, and on December 1, 2023, the Agreement was renewed for another twelve months.

On October 1, 2021, the Company engaged Zimtu to provide marketing services as part of a cooperative marketing program. In consideration, the Company made monthly payments of $12,500. On January 1, 2023, the Company entered into a new agreement with Zimtu to provide marketing services for a 12-month period at a rate of $9,000 per month, and the agreement was renewed on January 1, 2024 for an additional twelve months.

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.

10. 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 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 is subject to credit risk for a maximum of the amounts shown on the statements of financial position.

At December 31, 2024, the Company held cash and cash equivalents of $1,236,861 (September 30, 2024: cash of $1,471,705) with Canadian chartered banks.

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 December 31, 2024, the Company has total current liabilities of $191,260 (September 30, 2024: $177,473). 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.

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 exposed to commodity price risk at this time.

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.

10. 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.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at December 31, 2024, the Company's shareholders' equity was $12,610,714 (September 30, 2024: $12,734,186). 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 year.

11. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH 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 February 17, 2023, the Company issued 7,004,786 common shares on a "flow-through" basis at a price of $0.43 per Share for gross proceeds of $3,012,058. A flow-through share liability of $1,295,885 was recognized at the date of issuance based on the premium value of the flow-through share at the time of issuance. At September 30, 2023, the Company had incurred $3,012,058 in qualified expenditures. The flow-through expenditures were renounced on December 31, 2023.

On November 17, 2023, the Company issued 25,923,752 common shares on a "flow-through" basis at a price of $0.14 per Share for gross proceeds of $3,629,325. No flow-through share liability was recognized at the date of issuance based on the premium value of the market price of the shares at the time of issuance. At December 31, 2024, the Company has incurred $3,629,325 in qualified expenditures, leaving $Nil to be incurred prior to December 31, 2024.The flow-through expenditures were renounced on December 31, 2023 under the look-back rule.

12. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions during the three months ended December 31, 2024 and 2023 were:

a) At December 31, 2024, included in accounts payable and accrued liabilities is $38,229 (December 31, 2023: $38,315) of exploration and evaluation asset costs.

b) At December 31, 2024, included in due to related parties is $99,575 (December 31, 2023: $18,900) of exploration and evaluation asset costs.

13. SUBSEQUENT EVENTS

Subsequent to December 31, 2024, 3,502,393 share purchase warrants and 96,264 broker warrants priced at $0.47 expired unexercised.