

SKRR EXPLORATION INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars - Unaudited)

FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM 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 an auditor has not reviewed the financial statements.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SKRR EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	As at October 31, 2024 (unaudited)	As at April 30, 2024 (audited)
	\$	\$
ASSETS		
Current assets		
Cash	427,647	1,078,820
GST receivables	8,183	20,568
Other receivable (Note 5)	-	-
Short-term investment (Note 4)	1,060,000	192,500
Prepaid expenses	245,782	24,393
Total current assets	1,741,612	1,316,281
Exploration and evaluation assets (Notes 5 and 7)	4,740,720	4,397,821
Total assets	6,482,332	5,714,102
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	272,135	202,420
Total current liabilities	272,135	202,420
Flow-through share liability (Note 5)	-	13,667
Equity		
Capital stock (Note 6)	17,279,695	17,279,695
Reserves (Note 6)	1,180,900	1,120,750
Deficit	(12,250,398)	(12,902,430)
Total equity	6,210,197	5,498,015
Total liabilities and equity	6,482,332	5,714,102

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

Approved and authorized on December 20, 2024 on behalf of the Board:

“SHERMAN DAHL”

Director

“TIM FERNBACK”

Director

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

SKRR EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended October 31, 2024	For the three months ended October 31, 2023	For the six months ended October 31, 2024	For the six months ended October 31, 2023
	\$	\$	\$	\$
EXPENSES				
Consulting fees (Note 7)	22,500	10,000	45,000	32,500
Filing fees	8,059	10,589	13,531	25,017
Investor relations and marketing	18,388	21,419	40,473	125,180
Office and administration (Note 7)	19,836	32,731	30,105	46,247
Professional fees (Note 7)	37,930	56,406	89,974	110,493
Property investigation expense	-	(9,528)	-	(8,302)
Stock-based compensation (Notes 6 and 7)	-	-	60,150	-
LOSS BEFORE OTHER ITEMS	(106,713)	(121,617)	(279,233)	(331,135)
Flow-through share recovery (Note 5)	13,667	-	13,667	-
Realized gain (loss) on sale of short-term investment (Note 4)	-	-	5,539	-
Realized gain on sale of mineral properties (Note 5)	570,000	-	570,000	-
Unrealized gain (loss) on short-term investment (Note 4)	400,000	404,871	342,060	69,871
Net and comprehensive income (loss) for the period	876,954	283,254	652,033	(261,264)
Basic income (loss) per common share	\$ 0.18	\$ 0.07	\$ 0.13	\$ (0.07)
Diluted income (loss) per common share	\$ 0.18	\$ 0.07	\$ 0.13	\$ (0.07)
Weighted average number of common shares outstanding – basic	4,843,843	3,867,585	4,843,843	3,812,877
Weighted average number of common shares outstanding – diluted	4,843,843	3,867,585	4,843,843	3,812,877

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

SKRR EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars - Unaudited)

	Capital stock				Total equity
	Shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
Balance, April 30, 2023	14,255,340	16,632,507	1,112,980	(11,945,901)	5,799,586
Private placement, gross	215,000	45,000	-	-	45,000
Finders fees and share issuance costs - cash	-	(3,829)	-	-	(3,829)
Finders fees - warrants	-	(470)	470	-	-
Shares issued for to F3 Uranium Corp.	1,000,000	200,000	-	-	200,000
Net loss and comprehensive loss for the period	-	-	-	(261,264)	(261,264)
Balance, October 31, 2023	15,470,339	16,873,208	1,113,450	(12,207,165)	5,779,493
Balance, April 30, 2024	19,375,372	17,279,695	1,120,750	(12,902,430)	5,498,015
Stock-based compensation	-	-	60,150	-	60,150
Net loss and comprehensive loss for the period	-	-	-	652,033	652,033
Balance, October 31, 2024	19,375,372	17,279,695	1,180,900	(12,250,397)	6,210,198

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

SKRR EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the six months ended October 31, 2024	For the three months ended October 31, 2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	652,033	(261,264)
Non-cash items:		
Unrealized loss (gain) on short-term investment	(342,060)	(69,871)
Impairment of mineral properties	-	-
Realized loss on short-term investment	(5,539)	-
Stock-based compensation	60,150	-
Flow-through share premium recovery	(13,667)	-
Gain on sale of mineral properties	(570,000)	-
Changes in non-cash working capital items:		
Decrease (increase) in GST and other receivables	12,385	172,882
Decrease (increase) in prepaid expenses	(221,389)	9,486
Increase (decrease) in accounts payable and accrued liabilities	69,717	(2,042)
Net cash flows used in operating activities	(358,373)	(150,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mineral property	(39,500)	(50,000)
Exploration and evaluation assets	(303,399)	(29,787)
Proceeds from sale of short-term investment	50,099	-
Net cash flows provided by (used in) investing activities	(292,800)	(79,787)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement gross proceeds	-	45,000
Finders fees and share issuance costs	-	(3,829)
Net cash flows provided by financing activities	-	41,171
Change in cash for the period	(651,173)	(189,425)
Cash, beginning of period	1,078,820	1,035,498
Cash, end of period	427,647	846,073
Cash paid for interest	-	-
Cash paid for tax	-	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

SKRR Exploration Inc. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on September 20, 2006. The registered address, head office, principal address and records office of the Company is located at 228 - 1122 Mainland Street, Vancouver, British Columbia, V6B 5L1. On January 13, 2020, the Company received approval by the TSX Venture regarding its reactivation and application for graduation to Tier 2. Effective, January 23, 2020, the Company’s common shares commenced trading under the symbol SKRR.

Going concern of operations

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

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at October 31, 2024, the Company has had significant losses and has a working capital of \$1,469,477 (April 30, 2024 - \$1,113,861). In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares, and short-term loans. In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As such, there is a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended April 30, 2024 except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending April 30, 2025 could result in the restatement of these condensed interim financial statements.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 (Expressed in Canadian Dollars - Unaudited)
 FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

2. BASIS OF PRESENTATION (continued)

Basis of consolidation

The financial statements include the accounts of the Company and its controlled entity. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the financial statement presentation. The Company owned 100% of 1364991 B.C. Ltd. which was the registered tenure holder of the Company's mineral interests in the Nickel Peak 1 and Nickel Peak 2 claim blocks; these claims have lapsed. 1364991 B.C. Ltd. was dissolved on April 22, 2024.

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest April 30, 2024	Proportion of Ownership Interest April 30, 2023	Principal Activity
1364991 B.C. Ltd.	B.C., Canada	0%	100%	Holder of tenures

3. MATERIAL ACCOUNTING POLICIES

Use of significant accounting judgments and critical accounting estimates

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include the assessment of the ability of the Company to continue as a going concern and impairment of exploration and evaluation assets.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractor and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

3. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Mineral exploration and evaluation expenditures are classified as intangible assets. The Company accounts for the mineral exploration tax credit on an accrual basis unless collectability cannot be reasonably assured.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Flow-through shares

The Company finances a portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the “flow-through commitment”) as follows:

- Capital stock;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature; and
- Warrant reserve, any excess.

3. MATERIAL ACCOUNTING POLICIES (continued)

Flow-through shares (continued)

As qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period). Additionally, the Company reverses the liability for the flow-through share premium to other income as the expenditures are incurred.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Income (loss) per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on income (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the current and prior fiscal year this calculation proved to be anti-dilutive. Basic income (loss) per share is calculated using the weighted-average number of shares outstanding during the period.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves remains in the same account. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity cannot be reliably measured, they are measured at the fair value of the share-based payment based on the fair market value of when the shares are issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”) or at amortized cost. Cash and short term investments are classified and measured as FVTPL. Other receivable and accounts payable and accrued liabilities are classified as at amortized cost initially recognized at fair value and subsequently measured at amortized cost using effective rate method.

Accounting policies adopted

The following accounting standards and amendments are adopted in the current year. The Company has assessed the impacts of the adoption of these standards and amendments in the Company’s financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments were effective for reporting periods beginning on or after January 1, 2023; the adoption of the amendments reduced the disclosure of its accounting policies.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments were effective for reporting periods beginning on or after January 1, 2023; there were no material changes to the Company’s financial statements as a result of adoption.

Accounting policies issued but not effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments were effective for reporting periods beginning on or after January 1, 2024. The Company does not expect material changes to the Company’s financial statements as a result of adoption.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

3. MATERIAL ACCOUNTING POLICIES (continued)

Accounting policies issued but not effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be assessing the impact of adopting the above standard on the financial statements.

4. SHORT-TERM INVESTMENT

	TOTAL
	\$
Balance at April 30, 2023	556,600
Additions	37,468
Proceeds from sale	(166,313)
Realized loss	(66,465)
Change in fair value	(168,790)
Balance at April 30, 2024	192,500
Additions	570,000
Proceeds from sale	50,099
Realized gain	5,539
Change in fair value	241,862
Balance at October 31, 2024	1,060,000

On March 31, 2023, the Company received 2,000,000 Fathom Nickel Inc. ("Fathom") at a price of \$0.145 per share for a total of \$290,000 (Note 5).

Through the year ended April 30, 2024, the Company purchased additional marketable securities for \$37,468 (2023 - \$278,888) and sold some of these securities for proceeds of \$166,313 (2023 - \$146,548) during the same fiscal year.

On August 19, 2024, the Company acquired 1,000,000 shares of Military Metals Corp (Note 5) at a fair market value of \$570,000 through the sale of Manson Bay gold project.

For the six months ended October 31, 2024, the Company sold additional marketable securities for gross proceeds of \$50,099.

As at October 31, 2024 and April 30, 2024, the carrying value of the short-term investments was adjusted to fair market value.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

5. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the following accumulated expenditures:

	Olson Gold	Clearwater	TOTAL
	\$	\$	\$
Balance at April 30, 2023	4,065,486	-	4,065,486
Acquisition	-	328,650	328,650
Geological	325	340	665
Tenure and maintenance	3,020	-	3,020
Balance at April 30, 2024	4,068,831	328,990	4,397,821
Acquisition	-	39,500	39,500
Administration	-	7,500	7,500
Drilling	-	295,000	295,000
Tenure and maintenance	900	-	900
Balance at October 31, 2024	4,069,731	670,990	4,740,721

Clearwater West Project

On May 25, 2023, and amended on January 10, 2024, the Company entered into an option agreement with F3 Uranium Corp. ("F3") to acquire a 70% interest in the Clearwater West Property comprising 3 contiguous mineral claims across 11,786 hectares.

Under the agreement, to earn an initial 50%, the Company must complete cash payments, share payments of common shares in the capital of the Company to F3 and exploration expenditures over a period as follows:

- (i) \$25,000 in cash upon execution of the option agreement (paid);
- (ii) \$25,000 in cash on or before December 31, 2023 (paid);
- (iii) 1,000,000 common shares (issued); and
- (iv) 605,000 common shares on January 22, 2024 (issued);
- (v) 395,000 common shares on or before June 1, 2024, unless subsequent to such issuance, F3's partially diluted shareholdings in the Company would exceed 10% of the issued and outstanding shares of the Company, in which case the Company shall pay \$39,500 (paid during the current period) in cash to F3 on or before June 5, 2024 in lieu thereof; and
- (vi) \$3,000,000 in work expenditures on the Clearwater West Property to be spent on or before May 25, 2025.

F3 will retain a 2.0% net smelter return ("NSR") royalty of which 1% may be repurchased by the Company for \$1,000,000.

Upon completion of the 50% interest earn-in, F3 and the Company will automatically enter into a joint venture and will negotiate to formalize a joint venture agreement. Pursuant to the terms of the Clearwater West Agreement, the Company will have the option to increase its interest in the Clearwater West Property to 70% by making additional cash and exploration expenditures:

- (i) \$50,000 cash on or before December 31, 2024; and
- (ii) \$3,000,000 additional work expenditures on the Clearwater West Property on or before the third anniversary of the agreement.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Olson Gold Property

On October 24, 2019, the Company entered into an option agreement with Eagle Plains Resources Ltd. ("Eagle Plains"), under which the Company acquired a 75% of Eagle Plains' Olson gold property, comprising nine (9) mineral dispositions, located approximately 100 km east of La Ronge, Saskatchewan, in the Deschambault Lake area.

Under the agreement, the Company completed cash payments, share payments of common shares in the capital of the Company to Eagle Plains and exploration expenditures over a period as follows:

- i. \$10,000 in cash upon execution of a letter of intent in respect of the transaction (paid);
- ii. \$20,000 in cash and 40,000 common shares upon TSXV approval of the transaction and the agreement (shares issued; cash paid);
- iii. \$40,000 in cash, 40,000 common shares and \$200,000 in exploration expenditures on or before December 31, 2020 (shares issued; cash paid);
- iv. \$80,000 in cash, 40,000 common shares and \$500,000 in exploration expenditures on or before December 31, 2021 (shares issued; cash paid); and
- v. \$100,000 in cash (paid), 40,000 common shares (issued on February 22, 2023) and an additional \$800,000 in exploration expenditures (for an aggregate total of at least \$1,500,000) on or before December 31, 2022 (incurred and completed).

The Company acquired a 51% interest in the Olson property initially, and then earned an additional 24% (75% total) interest in the property by making additional exploration expenditures of \$1,500,000 (completed) on the property and issuing 40,000 common shares (issued on February 22, 2023). There are no further cash or share payment obligations anticipated.

Manson Bay Property

On August 31, 2020, the Company acquired a 100% interest in Eagle Plains' Manson Bay South Property comprising nine mineral claims, in addition to acquiring a 100% in Edge's Manson Bay Property comprising four adjacent mineral claims. Edge is owned and operated by a director of the Company. Eagle Plains agreement and the Edge agreement together will be referred to as the "Acquisition Agreements".

Under the terms of the Acquisition Agreements, the Company acquired a 100% interest in the Manson Bay South Property and the Manson Bay Property by making a cash payments of \$10,000 and issuing 150,000 common shares of the Company to each of Eagle Plains and Edge (for aggregate consideration of \$20,000 of cash and 300,000 common shares). The Acquisition Agreements provide for an over-riding 2% NSR in favour of Eagle Plains and Edge, respectively (total 4%) (subject to a buy down to 1% for \$1,000,000 on each NSR). Pursuant to the Acquisition Agreements, Eagle Plains will be the initial operator on both the Manson Bay and Manson Bay South claim packages, and Eagle Plains and Edge will alternate as operator every two years thereafter. As of April 30, 2021, the cash payments were paid and the shares were issued.

On August 19, 2024, the Company completed the sale of 100% interest in SKRR's wholly-owned Manson Bay gold project to Military Metals Corp. (formerly X1 Entertainment Group) ("Military Metals"). Under the terms of the agreement, Military Metals acquired a 100% interest in the Manson Bay Project through the issuance of 1,000,000 common shares in the capital of Military Metals to the Company.

6. CAPITAL STOCK AND RESERVES

a) Authorized

Unlimited number of common shares, without par value.

On November 27, 2024, the Company's shares were consolidated on a four to one basis.

b) Share issuances

During the period ended October 31, 2024

No activity during this period.

During the year ended April 30, 2024

On April 5, 2024, the Company completed a non-brokered private placement of \$250,000. The offering comprised 145,833 flow-through units ("FT Unit") at \$0.48 per FT Unit and 450,000 units ("Unit") at \$0.40 per Unit. Each FT Unit comprises one common share of the Company to be issued to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one share purchase warrant. Each Unit comprised one common share and one share purchase warrant. Each share purchase warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.60 per share for a period of 36 months following the closing of the private placement. The Company paid \$3,500 in cash finders fees and issued 35,000 non-transferrable finder's warrants in connection with this private placement.

On December 29, 2023, the Company completed a non-brokered private placement of \$110,004. The offering comprised 229,175 FT Units at \$0.48 per FT Unit. Each FT Unit comprised one flow-through common share and one half share purchase warrant exercisable for \$0.15 per share for 24 months. The Company paid \$7,700 in cash finders fees and issued 16,042 non-transferrable finder's warrants in connection with this private placement.

On July 10, 2023, the Company completed a non-brokered private placement of \$45,000 along with a concurrent share consolidation of five existing common shares into one common share. The offering comprised 10,000 FT Units at \$1.00 per FT Unit and 43,750 Units at \$0.80 per Unit. Each FT Unit and Unit comprises of one flow-through share or one common share and one share purchase warrant exercisable for \$1.20 shares for 36 months. The Company paid \$700 in cash finders fees and issued 700 non-transferrable finder's warrants in connection with this private placement.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

6. CAPITAL STOCK AND RESERVES (continued)

c) Stock options

The Company follows the policies of the TSX-V under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the then issued and outstanding common stock of the Company. Under the policies, the exercise price of each shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSX-V. The options can be granted for a maximum term of ten years.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance, April 30, 2023	328,932	3.80
Expired	(129,432)	4.84
Balance, April 30, 2024	199,500	0.60
Granted	204,466	0.32
Balance, October 31, 2024	403,966	0.48

On July 22, 2024, 50,750 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$0.32 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$60,150, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.32, expected volatility – 146% (based on historical volatility), risk-free interest rate – 3.43%, exercise price of \$0.32 and an expected average life of 3 years.

On April 13, 2023, 50,750 options were granted to an directors, officers and consultants of the Company. The options are exercisable at \$1.60 per share for three years from date of grant and vest immediately upon grant. The fair value of the options was estimated at \$49,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$1.20, expected volatility – 129% (based on historical volatility), risk-free interest rate – 3.047%, exercise price of \$1.60 and an expected average life of 3 years.

As at October 31, 2024, the Company's stock options outstanding and exercisable are summarized as:

Exercise price	Expiry date	Number of Options
\$ 6.00	January 23, 2025	52,500
\$ 7.40	August 28, 2025	12,500
\$ 1.60	February 17, 2025	83,750
\$ 1.60	April 13, 2026	50,750
\$ 0.32	July 22, 2027	204,466
	TOTAL	403,966

As of October 31, 2024, the weighted average remaining life of stock options is 1.90 years (2024 – 1.51 years).

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

6. CAPITAL STOCK AND RESERVES (continued)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, April 30, 2023	641,641	2.44
Granted	789,663	0.64
Expired	(443,393)	2.80
Balance, April 30, 2024	987,911	0.84
Expired	(198,248)	0.32
Balance, October 31, 2024	789,663	0.84

On April 5, 2024, 8,750 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.60 per share for 36 months from date of grant. The fair value of the warrants was estimated at \$2,800, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.46, expected volatility – 124% (based on historical volatility), risk-free interest rate – 3.756%, exercise price of \$0.60 and an expected average life of 36 months.

On December 29, 2023, 16,042 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.40 per share for 24 months from date of grant. The fair value of the warrants was estimated at \$4,500, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.44, expected volatility – 122% (based on historical volatility), risk-free interest rate – 3.732%, exercise price of \$0.80 and an expected average life of 24 months.

On July 10, 2023, 700 broker warrants were issued to agents of the Company. The warrants are exercisable at \$0.80 per share for 36 months from date of grant. The fair value of the warrants was estimated at \$470, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.76, expected volatility – 178% (based on historical volatility), risk-free interest rate – 4.201%, exercise price of \$0.80 and an expected average life of 36 months.

SKRR Exploration Inc.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE SIX MONTHS ENDED OCTOBER 31, 2024

6. CAPITAL STOCK AND RESERVES (continued)

d) Warrants (continued)

As at October 31, 2024, the Company's share purchase warrants are summarized as:

Exercise price	Expiry date	Number of Warrants
\$ 1.20	July 10, 2026	53,750
\$ 0.80	July 10, 2026	700
\$ 0.60	December 29, 2025	114,588
\$ 0.60	December 29, 2025	16,042
\$ 0.60	April 5, 2027	604,583
TOTAL		789,663

As at October 31, 2024, the weighted average remaining life of share purchase warrants is 2.17 years (2024 – 2.17 years).

e) Flow-through premium liability

All flow-through share obligations were satisfied by October 31, 2024.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	For the six months ended October 31, 2024	For the six months ended October 31, 2023
	\$	\$
Exploration and evaluation	7,500	27,500
Consulting	45,000	32,500
Office and administration	6,300	6,300
Professional	22,500	45,000

Included in exploration and evaluation expenditures: \$7,500 paid or accrued to the CEO for consulting services related to the mineral property projects (October 31, 2023 - \$27,500).

7. RELATED PARTY TRANSACTIONS (continued)

Included in consulting expenses: \$15,000 paid or accrued to the CEO for executive management services (2023 - \$32,000). \$15,000 paid or accrued to an independent director of the Company (2023 - \$Nil). \$15,000 paid or accrued to a former, independent director of the Company (2023 - \$Nil).

Included in office expenses: \$3,150 paid or accrued to a private Company owned by the CFO for office rent (2023 - \$3,150).

Included in professional fees: \$22,500 paid or accrued to a private Company owned by the CFO for accounting services (2023 - \$45,000).

As at October 31, 2024, \$46,346 was owing to a private Company owned by the CFO for professional services and reimbursable expenses (2024 - \$24,529), \$37,500 owing to the CEO for consulting fees (2024 - \$15,000), \$37,500 owing to a former, independent director (2024 - \$22,500), and \$15,125 owing to an independent director (2024 - \$Ni).

8. FINANCIAL INSTRUMENTS AND RISKS

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

The methodology and assessment of inputs for determining the fair values of financial assets and liabilities as well as the levels of hierarchy remain unchanged.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The risk is assessed as low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2024, the Company had a cash balance of \$427,647 (April 30, 2024 - \$1,078,820) to settle accounts payable of \$272,135 (April 30, 2024 - \$202,420). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company intends to raise money through equity financing to meet its financial obligations.

8. FINANCIAL INSTRUMENTS AND RISKS (continued)

Financial risk factors (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. Such fluctuations may be significant.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's short term investment are subject to price risk.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from prior year.