

**SKRR EXPLORATION INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in Canadian Dollars)**

**FOR THE YEAR ENDED APRIL 30, 2025**

## Independent Auditor's Report

To the Shareholders of SKRR Exploration Inc.

### Opinion

We have audited the consolidated financial statements of SKRR Exploration Inc. (the "Group"), which comprise the consolidated statements of financial position as at April 30, 2025 and April 30, 2024 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2025 and April 30, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hilda Leung.

*Crowe Mackay LLP*

**Chartered Professional Accountants  
Vancouver, Canada  
August 27, 2025**

**SKRR EXPLORATION INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	As at April 30, 2025	As at April 30, 2024
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,830,764	1,078,820
GST receivables	19,937	20,568
Short-term investments (Note 4)	220,000	192,500
Prepaid expenses	20,000	24,393
<b>Total current assets</b>	<b>2,090,701</b>	<b>1,316,281</b>
<b>Exploration and evaluation assets (Notes 5 and 7)</b>	<b>-</b>	<b>4,397,821</b>
<b>Total assets</b>	<b>2,090,701</b>	<b>5,714,102</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	77,963	202,420
<b>Total current liabilities</b>	<b>77,963</b>	<b>202,420</b>
<b>Flow-through share premium (Note 6)</b>	<b>-</b>	<b>13,667</b>
<b>Equity</b>		
Capital stock (Note 6)	18,549,536	17,279,695
Reserves (Note 6)	1,507,750	1,120,750
Deficit	(18,044,548)	(12,902,430)
<b>Total equity</b>	<b>2,012,738</b>	<b>5,498,015</b>
<b>Total liabilities and equity</b>	<b>2,090,701</b>	<b>5,714,102</b>

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

Approved and authorized on August 27, 2025 on behalf of the Board:

“SHERMAN DAHL”

Director

“TIM FERNBACK”

Director

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

**SKRR EXPLORATION INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

	<b>For the year ended April 30, 2025</b>	For the year ended April 30, 2024
	\$	\$
<b>EXPENSES</b>		
Consulting fees (Note 7)	<b>114,060</b>	150,000
Filing fees	<b>50,901</b>	48,391
Investor relations and marketing	<b>124,831</b>	166,460
Office and administration (Note 7)	<b>71,723</b>	104,518
Professional fees (Note 7)	<b>180,720</b>	258,557
Property investigation expense	<b>1,188</b>	4,420
Stock-based compensation (Notes 6 and 7)	<b>387,000</b>	-
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(930,423)</b>	(732,346)
Flow-through share premium recovery	<b>13,667</b>	-
Recovery (impairment) of mineral properties (Note 5)	<b>(4,741,321)</b>	11,072
Gain on sale of mineral properties (Note 5)	<b>550,000</b>	-
Realized gain (loss) on sale of short-term investments (Note 4)	<b>24,732</b>	(66,465)
Unrealized loss on short-term investments (Note 4)	<b>(58,773)</b>	(168,790)
<b>Net and comprehensive loss for the year</b>	<b>(5,142,118)</b>	(956,529)
<b>Basic loss per common share</b>	<b>\$ (0.75)</b>	\$ (0.24)
<b>Diluted loss per common share</b>	<b>\$ (0.75)</b>	\$ (0.24)
<b>Weighted average number of common shares outstanding – basic</b>	<b>6,881,963</b>	3,998,710
<b>Weighted average number of common shares outstanding – diluted</b>	<b>6,881,963</b>	3,998,710

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

**SKRR EXPLORATION INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Canadian Dollars)

	Capital stock				Total equity
	Shares	Amount	Reserves	Deficit	
		\$	\$	\$	\$
<b>Balance, April 30, 2023</b>	<b>3,563,836</b>	<b>16,632,507</b>	<b>1,112,980</b>	<b>(11,945,901)</b>	<b>5,799,586</b>
Private placement, gross	878,758	405,004	-	-	405,004
Finders fees and share issuance costs - cash	-	(15,029)	-	-	(15,029)
Finders fees - warrants	-	(7,770)	7,770	-	-
Flow-through share premium	-	(13,667)	-	-	(13,667)
Shares issued for to F3 Uranium Corp for mineral properties	401,250	278,650	-	-	278,650
Net and comprehensive loss for the year	-	-	-	(956,529)	(956,529)
<b>Balance, April 30, 2024</b>	<b>4,843,844</b>	<b>17,279,695</b>	<b>1,120,750</b>	<b>(12,902,430)</b>	<b>5,498,015</b>
Private placement, gross	12,136,363	1,335,000	-	-	1,335,000
Finders fees and share issuance costs - cash	-	(65,159)	-	-	(65,159)
Stock-based compensation	-	-	387,000	-	387,000
Net and comprehensive loss for the year	-	-	-	(5,142,118)	(5,142,118)
<b>Balance, April 30, 2025</b>	<b>16,980,207</b>	<b>18,549,536</b>	<b>1,507,750</b>	<b>(18,044,548)</b>	<b>2,012,738</b>

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

**SKRR EXPLORATION INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

	<b>For the year ended April 30, 2025</b>	For the year ended April 30, 2024
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net and comprehensive loss for the year	(5,142,118)	(956,529)
Non-cash items:		
Unrealized loss on short-term investments	58,773	168,790
Realized (gain) loss on short-term investments	(24,732)	66,465
Stock-based compensation	387,000	-
Flow-through share premium recovery	(13,667)	-
Gain on sale of mineral properties	(550,000)	-
Impairment of mineral properties	4,741,321	-
Changes in non-cash working capital items:		
Decrease in GST receivables	631	164,458
Decrease in prepaid expenses	4,393	10,146
Increase (decrease) in accounts payable and accrued liabilities	(124,457)	124,857
Net cash flows used in operating activities	<u>(662,856)</u>	<u>(421,813)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of mineral property	(39,500)	-
Exploration and evaluation assets expenditures	(304,000)	(53,685)
Proceeds from sale of short-term investments	488,459	166,313
Purchase of short-term investments	-	(37,468)
Net cash flows provided by (used in) investing activities	<u>144,959</u>	<u>(75,160)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placement gross proceeds	1,335,000	405,004
Finders fees and share issuance costs	(65,159)	(15,029)
Net cash flows provided by financing activities	<u>1,269,841</u>	<u>389,975</u>
Change in cash and cash equivalents for the year	751,944	43,322
Cash and cash equivalents, beginning of year	<u>1,078,820</u>	1,035,498
Cash and cash equivalents, end of year	<u>1,830,764</u>	1,078,820
<b>Cash and cash equivalents consisted of:</b>		
Cash	275,655	1,078,820
Cash equivalents	<u>1,555,109</u>	-
<b>Cash paid for interest</b>	-	-
<b>Cash paid for tax</b>	-	-
<b>Non-cash investing and financing activities:</b>		
<b>Sale of mineral properties for short-term investments</b>	<u>550,000</u>	-

The accompanying notes are an integral part of these consolidated 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 (“TXSV”) 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, tariffs, 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 consolidated 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 April 30, 2025, the Company has had significant losses and has a working capital of \$2,012,738 (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 consolidated financial statements of the Company for the year ended April 30, 2025 are prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements are presented in Canadian dollars, which is also the Company’s and its subsidiary’s functional currency.

These consolidated financial statements were authorized for issue by the Board of Directors on August 27, 2025.

### Basis of measurement

These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**2. BASIS OF PRESENTATION (continued)**

Basis of consolidation

The consolidated 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, 2025	Proportion of Ownership Interest April 30, 2024	Principal Activity
1364991 B.C. Ltd.	B.C., Canada	0%	0%	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 consolidated financial statements include the assessment of the ability of the Company to continue as a going concern and impairment of exploration and evaluation assets.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition. These are subject to an insignificant risk of changes in value and are used by the Company to meet its short-term cash commitments.

**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. These facts and circumstances include the following:

The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

- i. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- ii. Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- iii. Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. The recoverable amount is the greater of the asset’s fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the statement of operations and comprehensive loss for the year.

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 that, at the time of the transaction, affects neither accounting or taxable profit or loss and does not give rise to equal taxable and deductible temporary difference. 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.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **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.

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.

**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Share-based payments (continued)**

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.

**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 cash equivalents and short-term investments are classified and measured as FVTPL. 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.

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or when the Company transfers substantially all the risks and rewards of ownership of the asset to another party. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. On derecognition of a financial asset or liability, the difference between the carrying amount and the consideration received or paid is recognized in profit or loss.

**Asset Retirement Obligation (ARO)**

The Company recognizes a provision for statutory, contractual, and legal obligations associated with the reclamation and closure of exploration and evaluation properties, including site restoration and dismantling of infrastructure. A liability for an asset retirement obligation is recognized in the period in which a legal or constructive obligation is incurred, and a reasonable estimate of the obligation can be made. The liability is measured at the present value of estimated future cash outflows required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The corresponding asset is capitalized as part of the carrying amount of the related non-current asset (exploration and evaluation assets), and is amortized on a systematic basis over the useful life of the asset or expensed immediately if related to abandoned projects. The ARO liability is reviewed at each reporting date and adjusted for changes in the estimated timing or amount of future costs and for changes in the discount rate. Adjustments to the ARO are added to or deducted from the related asset, unless the asset has been fully impaired or decommissioned, in which case the adjustment is recognized in profit or loss.

For the years ended April 30, 2025 and 2024, no AROs have been identified by the Company.

**Accounting policies adopted**

*Amendment to IAS 1 – Classification of Liabilities as Current or Non-current*

Effective May 1, 2024, the Company adopted the amendments to IAS 1 *Presentation of Financial Statements* regarding the classification of liabilities as current or non-current. The amendments clarify that classification is based on rights in existence at the reporting date to defer settlement of a liability for at least twelve months and that classification is unaffected by expectations or events after the reporting date. The adoption of these amendments did not have an impact on the Company’s consolidated financial statements.

**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Accounting policies issued but not effective**

*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 consolidated 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 consolidated financial statements.

**4. SHORT-TERM INVESTMENTS**

	<b>TOTAL</b>
	\$
<b>Balance at April 30, 2023</b>	<b>556,600</b>
Additions	37,468
Proceeds from sale	(166,313)
Realized loss	(66,465)
Change in fair value	(168,790)
<b>Balance at April 30, 2024</b>	<b>192,500</b>
Additions	550,000
Proceeds from sale	(488,459)
Realized gain	24,732
Change in fair value	(58,773)
<b>Balance at April 30, 2025</b>	<b>220,000</b>

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.

Throughout the year ended April 30, 2024, the Company purchased additional marketable securities for \$37,468 and sold some of these securities for proceeds of \$166,313 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 \$550,000 through the sale of Manson Bay gold project.

For the year ended April 30, 2025, the Company sold additional marketable securities for gross proceeds of \$488,459.

As at April 30, 2025 and April 30, 2024, the carrying value of the short-term investments was adjusted to fair market value based on the quoted closing price of the shares.

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**5. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets comprise the following accumulated expenditures:

	<b>Olson Gold</b>	<b>Clearwater</b>	<b>TOTAL</b>
	\$	\$	\$
<b>Balance at April 30, 2023</b>	<b>4,065,486</b>	-	<b>4,065,486</b>
Acquisition	-	328,650	328,650
Geological	325	340	665
Tenure and maintenance	3,020	-	3,020
<b>Balance at April 30, 2024</b>	<b>4,068,831</b>	<b>328,990</b>	<b>4,397,821</b>
Acquisition	-	39,500	39,500
Management (Note 7)	-	7,500	7,500
Drilling	-	295,000	295,000
Tenure and maintenance	1,500	-	1,500
Impairment	(4,070,331)	(670,990)	(4,741,321)
<b>Balance at April 30, 2025</b>	-	-	-

**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 and currently owns 75% of Eagle Plains’ Olson gold property, comprising twenty (20) 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.

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 10,000 common shares (issued on February 22, 2023). There are no further cash or share payment obligations anticipated. The Company is determining the next steps for the 75% ownership interest in Olson Gold Property and no further exploration is planned; as a result of this, the carrying value has been impaired to \$Nil as at April 30, 2025.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

**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 needed to have completed 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) 250,000 common shares due on signing of the agreement (issued); and
- (iv) 151,250 common shares on January 22, 2024 (issued);
- (v) 98,750 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 year) 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 would 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 would have automatically entered 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.

On August 15, 2024, the agreement was assigned to F4 Uranium Corp. from F3 as a result of a plan of arrangement. Furthermore, on February 5, 2025, the option agreement with F3 was terminated by the Company with no joint venture formed before this. In addition, the carrying value was impaired to \$Nil on February 5, 2025.

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

**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% interest in Edge Geological Consulting Inc.'s ("Edge") Manson Bay Property comprising four adjacent mineral claims. Edge is owned and operated by a director of the Company. The 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 37,500 common shares of the Company to each of Eagle Plains and Edge (for aggregate consideration of \$20,000 of cash and 75,000 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 (Note 4).

**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. The share consolidation has been applied retrospectively and as a result all shares, options, warrants and per share amounts are stated on an adjusted basis.

**b) Share issuances**

**During the year ended April 30, 2025**

On February 20, 2025, the Company completed a first tranche non-brokered private placement of \$600,395 comprising 5,458,136 units at \$0.11 per unit. Each unit comprises one common share and one share purchase warrant exercisable at \$0.145 per share for two years from the closing date. No finder's fees were paid in connection to this private placement.

On March 6, 2025, the Company completed a second tranche non-brokered private placement of \$734,605 comprising 6,678,227 units at \$0.11 per unit. Each unit comprises one common share and one share purchase warrant exercisable at \$0.145 per share for two years from the closing date. \$50,773 in cash finder's fees were paid in connection to this private placement.

In addition, the Company incurred after share issuance costs of \$14,386.

**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 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 8,750 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 \$0.60 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.

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**6. CAPITAL STOCK AND RESERVES (continued)**

**c) Stock options**

The Company follows the policies of the TSXV 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 TSXV. 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 \$
<b>Balance, April 30, 2023</b>	<b>328,932</b>	3.80
Expired	<b>(129,432)</b>	4.84
<b>Balance, April 30, 2024</b>	<b>199,500</b>	3.12
Granted	<b>1,647,270</b>	0.30
Expired	<b>(136,750)</b>	3.30
Forfeited	<b>(12,500)</b>	7.40
<b>Balance, April 30, 2025</b>	<b>1,698,020</b>	0.34

On March 13, 2025, 1,442,804 options were issued to directors, officers and consultants of the Company. The options are exercisable at \$0.30 per share for 36 months from date of grant. The fair value of the options was estimated at \$332,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.30, expected volatility – 136% (based on historical volatility), risk-free interest rate – 2.409%, and an expected average life of 36 months.

On July 22, 2024, 204,466 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 \$55,000, using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected dividend yield – Nil%, share price of \$0.36, expected volatility – 125% (based on historical volatility), risk-free interest rate – 3.43%, and an expected average life of 3 years.

As at April 30, 2025, the Company's stock options outstanding and exercisable are summarized as:

Exercise price	Expiry date	Number of Options
\$ 1.60	April 13, 2026	50,750
\$ 0.32	July 22, 2027	204,466
\$ 0.30	March 13, 2028	1,442,804
	TOTAL	1,698,020

As of April 30, 2025, the weighted average remaining life of stock options is 2.74 years (2024 – 1.11 years).

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**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 \$
<b>Balance, April 30, 2023</b>	<b>641,641</b>	<b>2.44</b>
Granted	789,663	<b>0.64</b>
Expired	(443,393)	<b>2.80</b>
<b>Balance, April 30, 2024</b>	<b>987,911</b>	<b>0.84</b>
Granted	12,136,363	0.15
Expired	(198,248)	1.60
<b>Balance, April 30, 2025</b>	<b>12,926,026</b>	<b>0.18</b>

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.

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**6. CAPITAL STOCK AND RESERVES (continued)**

**d) Warrants (continued)**

As at April 30, 2025, the Company's share purchase warrants are summarized as:

<b>Exercise price</b>	<b>Expiry date</b>	<b>Number of Warrants</b>
\$ 1.20	July 10, 2026	53,750
\$ 0.80	July 10, 2026	700
\$ 0.60	December 29, 2025	130,630
\$ 0.60	April 5, 2027	595,833
\$ 0.60	April 5, 2027	8,750
\$ 0.145	February 20, 2027	5,458,136
\$ 0.145	March 6, 2027	6,678,227
<b>TOTAL</b>		<b>12,926,026</b>

As at April 30, 2025, the weighted average remaining life of share purchase warrants is 1.82 years (2024 – 2.17 years).

**e) Flow-through premium liability**

All flow-through share obligations were satisfied by April 30, 2025.

**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.

	<b>For the year ended April 30, 2025</b>	For the year ended April 30, 2024
	\$	\$
Exploration and evaluation	<b>7,500</b>	-
Consulting	<b>105,000</b>	150,000
Office and administration	<b>12,000</b>	11,550
Professional	<b>60,000</b>	90,000
Stock-based compensation	<b>271,445</b>	-
<b>TOTAL</b>	<b>455,945</b>	251,550

Included in exploration and evaluation expenditures: \$7,500 paid or accrued to the CEO for consulting services related to the mineral property projects (April 30, 2024 - \$Nil).

**7. RELATED PARTY TRANSACTIONS (continued)**

Included in consulting expenses: \$52,500 paid or accrued to the CEO for executive management services (2024 - \$105,000). \$22,500 paid or accrued to an independent director, audit committee chairman, of the Company (2024 - \$Nil). \$10,000 paid or accrued to an independent director of the Company (2024 - \$Nil). \$20,000 paid or accrued to a former, independent director of the Company (2024 - \$22,500). \$Nil paid or accrued to the former audit committee chairman of the Company (2024 - \$22,500).

Included in office expenses: \$12,000 paid or accrued to a private company owned by the CFO for office rent (2024 - \$11,550).

Included in professional fees: \$60,000 paid or accrued to a private company owned by the CFO for accounting services (2024 - \$90,000).

Included in stock-based compensation: \$271,445 in stock options granted to directors and officers (2024 - \$Nil).

As at April 30, 2025, \$283 was owing to a private company owned by the CFO for reimbursable office expenses (2024 - \$24,529), \$Nil owing to the CEO for consulting fees (2024 - \$15,000), \$Nil owing to a former, and independent director (2024 - \$22,500).

**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.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

Cash and cash equivalents and short-term investments are measured and carried at fair value using Level 1 inputs. The fair values of the Company's other financial instruments are not materially different from their carrying values due to the short-term maturity nature of the financial instruments.

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.

**8. FINANCIAL INSTRUMENTS AND RISKS (continued)**

**Financial risk factors**

The Company's risk exposures and the impact on the Company's consolidated 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 and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents 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 April 30, 2025, the Company had a cash and cash equivalents balance of \$1,830,764 (April 30, 2024 - \$1,078,820) to settle accounts payable of \$77,963 (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.

*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 cash equivalents are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts payable and accrued liabilities that are denominated in a foreign currency. As at April 30, 2025, 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 investments are subject to price risk.

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**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.

**10. DEFERRED INCOME TAXES**

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

For the year ended	April 30, 2025	April 30, 2024
	\$	\$
Loss before income taxes	(5,142,118)	(956,529)
Corporate tax rate	27%	27%
Expected income tax recovery at statutory rates	(1,388,000)	(258,000)
Permanent differences	105,000	31,000
Change in tax benefits not recognized	1,283,000	227,000
Income tax recovery	-	-

The significant components of the Company's deductible temporary differences and unused tax losses that have not been recognized on the statement of financial position are as follows:

	Expiry date	April 30, 2025	Expiry date	April 30, 2024
		\$		\$
Non-capital loss carry forwards	2034 - 2045	7,003,000	2034 - 2044	6,380,000
Investment	None	201,000	None	142,000
Undeducted exploration and development expenses	None	4,304,000	None	298,000
Capital loss carry forward	None	108,000	None	108,000
Share issuance costs	2026 - 2029	76,000	2025 - 2028	102,000
Unrecognized deductible temporary differences		11,692,000		7,030,000

Deferred tax benefits which may arise as a result of these non-capital losses and resource deductions have not been recognized in these consolidated consolidated financial statements.

## 11. SUBSEQUENT EVENTS

### Proposed Reverse Takeover Transaction with Kenz Global Resources Ltd.

On July 31, 2025, the Company entered into a non-binding letter of intent ("LOI") with Kenz Global Resources Ltd. ("KENZ"), a private British Columbia-incorporated company, for a proposed transaction (the "Proposed Transaction"). The Proposed Transaction is expected to constitute a reverse takeover of the Company under the policies of the TSXV, whereby the Company will acquire all issued and outstanding securities of KENZ in exchange for common shares of the Company. Upon completion, KENZ will become a wholly-owned subsidiary of the Company, and the existing shareholders of KENZ are anticipated to hold approximately 75% of the issued and outstanding shares of the resulting issuer (the "Resulting Issuer") on a fully-diluted basis, with the Company's existing shareholders holding the remaining 25%.

KENZ, through its subsidiaries, holds exploration interests in Saudi Arabia. The Proposed Transaction is anticipated to be structured as a share exchange, plan of arrangement, amalgamation, or other form of transaction, subject to negotiation of a definitive agreement (the "Definitive Agreement").

Key terms include:

- The Resulting Issuer's board of directors will consist of six members: four nominees from KENZ, one from Haywood Securities Inc. (KENZ's financial advisor), and one from the Company.
- The Company will change its name to "Saudi Minerals Corporation" or another name determined by KENZ, and the Resulting Issuer is expected to be listed as a Tier 2 Mining Issuer on the TSXV.
- The LOI includes an exclusivity period until the earlier of 90 days from execution or the signing of the Definitive Agreement, during which KENZ is restricted from pursuing alternative proposals, subject to fiduciary exceptions.

Completion of the Proposed Transaction is subject to various conditions, including but not limited to:

- Negotiation and execution of the Definitive Agreement;
- Satisfactory due diligence by both parties;
- Delivery of a National Instrument 43-101 compliant technical report on the AM ARTI Project;
- Preparation and delivery of audited and pro forma financial statements compliant with TSXV policies;
- Obtaining all necessary approvals, including from the TSXV, shareholders (if required), and other regulatory bodies;
- Completion of any required sponsorship or exemption therefrom;
- Closing by December 31, 2025.

The Proposed Transaction is an arm's-length transaction, and no finder's fees are expected to be payable. Trading in the Company's shares has been halted pending TSXV review and is not expected to resume until the Proposed Transaction closes or as otherwise determined by the TSXV.

In connection with the LOI, the Company agreed to provide a bridge loan to KENZ (the "Bridge Loan") to fund operations and transaction-related costs, including exploration, audits, legal fees, and preparation of the technical report.

The Bridge Loan comprises:

- An initial advance of \$25,000, which was due upon execution of the LOI (unpaid);
- Up to an additional \$375,000, subject to TSXV approval and upon KENZ's request.

The Bridge Loan would be evidenced by a secured promissory note, secured by a general security agreement, and is payable on demand upon termination of the Proposed Transaction.

**11. SUBSEQUENT EVENTS (continued)**

There is no assurance that the Definitive Agreement will be executed or that the Proposed Transaction will be completed as contemplated, or at all. If completed, the Proposed Transaction may qualify as a reverse acquisition under IFRS 3 *Business Combinations*, with KENZ identified as the accounting acquirer. In such case, the transaction would be accounted for as a continuation of KENZ's financial statements, with the Company's net assets recognized at fair value and any difference recorded as a listing expense in profit or loss. The fair values of assets acquired and liabilities assumed, including any contingent consideration, would be determined at the acquisition date.

Exercise of Warrants

On June 26, 2025, 270,000 warrants were exercised at a price of \$0.145 per share for total gross proceeds of \$39,150.