ROUTE 109 RESOURCES INC.
(formerly BMEX Gold Inc.)

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MAY 31, 2025 AND MAY 31, 2024.

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 the financial statements have not been reviewed by an auditor.

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

ROUTE 109 RESOURCES INC.
(formerly BMEX GOLD INC.)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MAY 31, 2025 AND AUGUST 31, 2024
(Expressed in Canadian Dollars)
(Unaudited)

	Notes		**May 31, 2025**		August 31, 2024
ASSETS					
Current assets					
Cash		**$**	**39,571**	$	1,238,404
GST receivable			**53,773**		5,092
Prepaid expenses	5		**6,738**		2,456
Total current assets			**100,082**		1,245,952
Non-current assets					
Exploration and evaluation assets	6		**15,549,614**		14,512,164
TOTAL ASSETS		**$**	**15,649,696**	$	15,758,116
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7	**$**	**265,084**	$	200,194
Loans			**191,497**		
Total current liabilities			**456,581**		200,194
Non-current liabilities					
Loans	8		**-**		172,490
TOTAL LIABILITIES			**456,581**		372,684
SHAREHOLDERS' EQUITY					
Share capital	9		**18,507,756**		18,428,556
Share-based payment reserve			**1,356,282**		1,435,482
Contributed surplus			**386,797**		386,797
Accumulated deficit			**(5,057,720)**		(4,865,403)
TOTAL SHAREHOLDERS' EQUITY			**15,193,115**		15,385,432
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**15,649,696**	$	15,758,116

Nature of operations and going concern (Note 1)

These financial statements were approved for issue by the Board of Directors on July 30, 2025 and are signed on its behalf by:

On behalf of the Board:

"Robert Pryde" Director "Verlee Webb" Director

ROUTE 109 ROURCES INC.
(formerly BMEX GOLD INC.)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2025 AND MAY 31, 2024.
(Expressed in Canadian dollars)
(Unaudited)

		Three months ended		Nine months ended	
		May 31, 2025	May 31, 2024	**May 31, 2025**	May 31, 2024
	Notes				
EXPENSES					
Accretion expense	8	**$ 6,629**	$ -	**$ 19,007**	$ -
Amortization of equipment		**-**	39	**-**	117
Consulting	10	**-**	12,000	**-**	49,770
Directors' fees	10	**-**	-	**-**	34,501
Executive compensation	10	**22,500**	36,000	**85,500**	108,000
Office and general		**4,729**	4,743	**14,269**	14,244
Professional fees		**1,609**	4,500	**28,321**	28,001
Transfer agent and regulatory fees		**4,347**	13,684	**45,207**	58,694
		(39,814)	(70,966)	**(192,304)**	(293,327)
OTHER INCOME AND (EXPENSES)					
Other income – flow-through premium recovery	9	**-**	26,250	**-**	54,771
Other income				**-**	26,888
Loss on foreign exchange		**(13)**	-	**(13)**	-
		(13)	26,250	**(13)**	81,659
Loss and comprehensive loss for the year		**$ (39,827)**	$ (44,716)	**$ (192,317)**	$ (211,668)
Basic and diluted loss per common share		**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding		**16,759,889**	8,607,593	**16,703,977**	8,147,507

ROUTE 109 RESOURCES INC.
(formerly BMEX GOLD INC.)
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Share-based payment reserve	Contributed surplus	Deficit	Total shareholders' equity
August 31, 2023	**7,606,343**	**$ 16,958,652**	**$ 1,556,981**	**$ 360,000**	**$ (4,581,034)**	**$ 14,294,599**
Issuance of shares upon exercise of restricted share units	120,000	156,000	(156,000)	-	-	-
Issuance of flow-through shares	600,000	120,000	-	-	-	120,000
Issuance of shares and warrants	281,250	56,250	-	-	-	56,250
Share issuance costs – cash	-	(6,285)	-	-	-	(6,285)
Restricted share units issued for directors' fees	-	-	34,501	-	-	34,501
Loss and comprehensive loss for the period	-	-	-	-	(211,668)	(211,668)
May 31, 2024	**8,607,593**	**$ 17,284,617**	**$ 1,435,482**	**$ 360,000**	**$ (4,792,702)**	**$ 14,287,397**
August 31, 2024	**16,615,889**	**$ 18,428,556**	**$ 1,435,482**	**$ 386,797**	**$ (4,865,403)**	**$ 15,385,432**
Issuance of shares upon exercise of restricted share units	144,000	79,200	(79,200)	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	(192,317)	(192,317)
May 31, 2025	**16,759,889**	**$ 18,507,756**	**$ 1,356,282**	**$ 386,797**	**$ (5,057,720)**	**$ 15,193,115**

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

ROUTE 109 RESOURCES INC.
(formerly BMEX GOLD INC.)
CONDENSED INTERM STATEMENTS OF CASH FLOW
FOR THE NINE MONTHS ENDED MAY 31, 2025 AND MAY 31, 2024
(Expressed in Canadian dollars)
(Unaudited)

		May 31, 2025		May 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	**$**	**(192,317)**	$	(211,668)
Items not involving cash:				
Accretion expense		**19,007**		-
Amortization of equipment		**-**		117
Restricted share units issued for directors' fees		**-**		34,501
Other income – flow-through premium recovery		**-**		(54,771)
Other income				(26,250)
Changes in non-cash operating working capital:				
GST receivable		**(48,681)**		92,202
Prepaid expenses		**(4,282)**		9,375
Accounts payable and accrued liabilities		**(61,765)**		151,439
Net cash used in operating activities		**(288,038)**		(5,055)
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation assets		**(910,795)**		(653,415)
Net cash used in investing activities		**(910,795)**		(653,415)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from private placements		**-**		176,250
Share issuance costs		**-**		(6,285)
Net cash provided by financing activities		**-**		169,965
Change in cash during the period		**(1,198,833)**		(488,505)
Cash, beginning of period		**1,238,404**		581,126
Cash, end of period	**$**	**39,571**	$	92,621

Cash paid for interest	**$**	**-**	$	-
Cash paid for income taxes	**$**	**-**	$	-

During the period ended May 31, 2025, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- Included in accounts payable and accrued liabilities as at May 31, 2025 is $153,000 for exploration and evaluation assets (August 31, 2024 - $26,345).

During the period ended May 31, 2024, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- Included in accounts payable and accrued liabilities as at May 31, 2024 is $Nil for exploration and evaluation assets (August 31, 2023 - $335,152).
- During the period ended May 31, 2024, the Company applied $45,289 of prepaid exploration and evaluation advances to amounts owing on the exploration and evaluation assets.
- During the period ended May 31, 2024, the Company entered into agreements with certain of its vendors, to transfer $220,222 of accounts payable, into long term loans.

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

1. Nature of Operations and Going Concern

Route 109 Resources Inc. (formerly BMEX Gold Inc.), (the "Company") was incorporated on July 10, 2017 under the Business Corporations Act (British Columbia). On February 22, 2018 the Company's common shares were listed on the TSX Venture Exchange ("TSXV") as a Tier 2 resource company. The Company's trading symbol is "RTE. The Company's principal office is located at Suite 2700 – 1177 W. Hastings Street, Vancouver, B.C. V6E 2K3.

Effective March 22, 2024, the Company consolidated its common shares on the basis of 10:1. For every 10 old unconsolidated common shares, 1 new consolidated common share was issued. All share, and per share amounts have been retroactively restated to reflect this share consolidation.

As at May 31, 2025, the Company had working capital of deficit of $356,499 and an accumulated deficit of $5,057,720. While the Company has been successful in securing financing in the past there can be no assurance that it will be able to do so in the future. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company has not yet determined whether its properties contain economically recoverable reserves and expects to incur further losses in the exploration of its properties.

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards 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. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Measurement

The Company's condensed interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Material Accounting Policies

The accounting policies set out in the audited financial statements for the year ended August 31, 2024 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

4. Significant Accounting Judgement, Estimates and Assumptions

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical 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:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess whether there is evidence of impairment in respect of exploration and evaluation assets. The triggering events for an impairment test are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

(iii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(iv) At the end of each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. Management believes there is sufficient capital to meet the Company's business obligations for at least the next twelve months, after taking into account expected cash flows and the Company's cash position at period-end.

4. Significant Accounting Judgement, Estimates and Assumptions (continued…)

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value.

(ii) The assessment of any impairment of non-current assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions, recoverability of value added taxes and the useful lives of assets.

(iii) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(iv) Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

5. Prepaid Expenses

Prepaid expenses as at May 31, 2025 and August 31, 2024 consist of the following:

		May 31, 2025		August 31, 2024
Prepaid insurance	$	6,738	$	11,012
	$	**6,738**	**$**	**11,012**

6. Exploration and Evaluation Assets

King Tut Property, Ligneris and Celoron Townships in the Province of Quebec

On August 11, 2020 (the "Agreement Date"), the Company and Greg Exploration Inc. (the "Optionor") reached an agreement to option the King Tut Property located in the Ligneris and Celoron townships in the Province of Quebec. The Company entered into an amended agreement on August 1, 2021. Under the terms of the option agreement and the amended agreement, the Company acquired 100% ownership in certain mineral claims, for the following consideration:

(i) Pay $200,000 on signing of the agreement (paid);
(ii) Pay $100,000 on the 6 month anniversary of the Agreement Date (paid);
(iii) Issue 2,000,000 common shares within five business days of TSXV approval of the amended agreement (issued).

Greg Exploration Inc. retained a 2% net smelter returns royalty, with an additional 1% net smelter returns royalty on a subset of claims. The Company may purchase the 1% net smelter royalty on the subset of claims for $1,000,000 at any time.

The Company also agreed to make the following milestone payments to the Optionor:

- Upon receipt by the Company of an independent technical report prepared in accordance with National Instrument 43-101 confirming the existence of a mineral resource on the Property containing at least 500,000 ounces of gold in the measured and indicated categories, the Company shall pay to the two Optionors a payment of $500,000 in cash, or, at the option of the Optionee, in common shares of the Company.
- Upon completion and delivery of a positive pre-feasibility study on the property, the Company shall also pay to the Optionor $500,000, in cash, or, at the option of the Company, in common shares of the Company.

In addition to the payments above, the Company paid a cash finders fee of $36,000 for this property during the year ended August 31, 2020.

Dunlop Bay Property, Matagami in the Province of Quebec

On November 12, 2020 (the "Agreement Date"), the Company and six arm's-length optionors, namely 9219-8845 QC Inc., Anna-Rosa Giglio, Tony Perron, Steve LaBranche, Serge Robert, and Alain Theberge (collectively, the "Optionors") reached an agreement to option the Dunlop Bay Property located near Matagami in the Province of Quebec. The Company entered into an amended agreement on August 1, 2021. Under the option agreement and the amended agreement, the Company acquired 100% ownership in 76 mineral claims, for an aggregate of 15,000,000 of its common shares and payment of an aggregate $300,000 in cash as follows:

(i) 6,500,000 common shares of the Company upon receipt of TSX Venture Exchange acceptance of the Agreement (the "Approval Date") (issued);
(ii) 6,500,000 common shares of the Company within three months of the Approval Date (issued);
(iii) $200,000 on completion of the Optionee's next equity financing; (paid)
(iv) $100,000 on the 6 month anniversary of the Approval Date; (paid)
(v) Issue 2,000,000 common shares within five business days of TSXV approval of the amended agreement (issued).

Optionors retained a 2% net smelter returns royalty.

The Company also agreed to make the following milestone payments to two Optionors:

- Upon receipt by the Company of an independent technical report prepared in accordance with National Instrument 43-101 confirming the existence of a mineral resource on the Property containing at least 500,000 ounces of gold in the measured and indicated categories, the Company shall pay to the two Optionors a payment of $500,000 in cash, or, at the option of the Optionee, in common shares of the Company.
- Upon completion and delivery of a positive pre-feasibility study on the property, the Company shall also pay to the two Optionors $500,000, in cash, or, at the option of the Company, in common shares of the Company.

In addition to the payments above, the Company paid a finders' fee of $43,500 and 625,000 shares valued at $468,750 for this property, during the year ended August 31, 2021.

6. Exploration and Evaluation Assets (continued…)

The following is a summary of additions to exploration and evaluation assets as at May 31, 2025:

	King Tut Property, Ligneris and Celoron Townships	Dunlop Bay Property	Total
Acquisition costs			
Balance, August 31, 2023, 2024 and May 31, 2025	$ 636,000	$ 9,172,250	$ 9,808,250
Exploration and evaluation costs			
Balance, August 31, 2023	$ 2,458,669	$ 1,900,097	$ 4,358,766
Taxes	886	800	1,686
Consulting	13,197	129,470	142,667
Drilling	-	24,869	24,869
Geological core logging	-	38,597	38,597
Geological modelling	-	137,329	137,329
Balance, August 31, 2024	2,472,752	2,231,162	4,703,914
Taxes	-	1,300	1,300
Consulting	-	26,351	26,351
Geological reports	-	5,477	5,477
Drilling	-	912,305	912,305
Geological core logging	-	37,689	37,689
Survey	-	26,790	26,790
Geological modelling	-	13,627	13,627
Transportation	-	13,911	13,911
Balance, May 31, 2025	$ 2,472,752	$ 3,268,612	$ 5,741,364
Total acquisition and exploration and evaluation costs			
Balance, August 31, 2024	**$ 3,108,752**	**$ 11,403,412**	**$ 14,512,164**
Balance, May 31, 2025	**$ 3,108,752**	**$ 12,440,862**	**$ 15,549,614**

Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at May 31, 2025 and August 31, 2024 consist of the following:

		May 31, 2025		August 31, 2024
Accounts payable	$	241,584	$	176,694
Accrued audit fees		23,500		23,500
	$	**265,084**	**$**	**200,194**

8. Loans

On May 31, 2024, the Company entered into agreements with certain vendors, to transfer $220,222 of amounts owing to them from accounts payable, to long-term loans. The loans mature on May 31, 2026, and are non-interest bearing.

Upon initial recognition, the loans were recorded at fair value, using a 15% discount rate.

Balance, August 31, 2023	$	-
Additions of principal balance		220,222
Discount on shareholder loans recognized in equity		(26,797)
Discount on loans recognized as other income		(26,906)
Accretion expense		5,971
Balance, August 31, 2024		**172,490**
Accretion expense		**19,007**
Balance, May 31, 2025		**191,497**

Of the loans payable at May 31, 2025 $113,813 are due to directors and officers of the Company (August 31, 2024, $102,516) (Note 10).

9. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value. All issued common shares are fully paid.

(b) ***Share Capital Transactions***

Effective March 22, 2024, the Company consolidated its common shares on the basis of 10:1. For every 10 old unconsolidated common shares, 1 new consolidated common share was issued. All share, and per share amounts have been retroactively restated to reflect this share consolidation.

During the period ended May 31, 2025:

- On December 15, 2024, the Company issued 144,000 common shares upon the exercise of restricted share units, with a fair value of $79,200.

9. Share Capital (continued…)

(b) ***Share Capital Transactions (continued…)***

During the year ended August 31, 2024:

- On December 15, 2023, the Company issued 120,000 common shares for the redemption of RSUs, valued at $156,000.

- On December 29, 2023, the Company issued 600,000 flow through units at $0.20 per flow-through unit, for total proceeds of $120,000. There was no flow-through premium associated with the issuance of these flow-through shares. Each flow-through unit consists of one flow-through common share, and one half of a common share purchase warrant. Each whole warrant is exercisable for a period of 2 years, at $0.50. The warrants had a fair value of $Nil, using the residual value method of valuation. In connection with this financing, a $5,970 of share issuance costs were incurred.

- On January 25, 2024, the Company closed a financing, by issuing 281,250 units at $0.20 per unit for total proceeds of $56,250. Each unit consists of one common share, and one common share purchase warrant. Each warrant is exercisable for a period of 2 years, at $0.50. The warrants had a fair value of $Nil, using the residual value method of valuation In connection with this financing, a $315 of share issuance costs were incurred.

- On August 2, 2024, the Company closed a financing by issuing 2,998,300 units ("NFT Unit") at $0.15 per NFT Unit for proceeds of $449,745, and by issuing 5,009,996 flow through units ("FT Units") at $0.15 per FT Unit for proceeds of $751,499. Each NFT Unit consists of one common share, and one common share purchase warrant, exercisable at $0.20 until August 2, 2026. Each FT Unit consists of one flow through common share, and one common share purchase warrant, exercisable at $0.20 until August 2, 2026. There was no flow-through premium associated with the issuance of these FT Units. The warrants had a fair value of $Nil, using the residual value method of valuation. In connection with this financing, a $57,305 of share issuance costs were incurred.

(c) ***Flow-through premium***

During the year ended August, 2023, the Company closed a private placement through the issuance of 936,666 flow-through shares of the Company at a price of $0.75 per share for gross proceeds of $702,500. The Company determined that the flow through premium associated with the issuance was $140,500.

The flow-through premium liability gets reduced as the Company spends eligible expenditures on its properties.

The following is a continuity of the Company's flow-through premium liability:

		Flow-through premium liability
Balance, August 31, 2023	$	54,771
Other income		(54,771)
Balance, August 31, 2024 and May 31, 2025	**$**	**-**

9. Share Capital (continued…)

(d) ***Stock Options***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the period ended May 31, 2025, and the year ended August 31, 2024, the Company did not issue any stock options.

A summary of changes in the Company's stock options is as follows:

	Number of options	Weighted average exercise price
Balance, August 31, 2023	**255,000**	**$1.51**
Expired	(55,000)	$3.00
Balance, August 31, 2024 and May 31, 2025	**200,000**	**$1.10**

The following table summarizes information about the share options outstanding and exercisable at May 31, 2025

Number of options outstanding	Number of options exercisable	Exercise price	Remaining life (years)	Expiry date
20,000	20,000	$2.60	1.01	June 4, 2026
20,000	20,000	$1.90	1.18	August 3, 2026
45,000	45,000	$1.50	1.55	December 16, 2026
115,000	115,000	$0.55	2.54	December 15, 2027
200,000	**200,000**	**$1.10**	**2.03**	

(e) ***Warrants***

A summary of changes in the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Balance, August 31, 2023	**-**	**-**
Issued	8,589,546	$0.22
Balance, August 31, 2024 and May 31, 2025	**8,589,546**	**$0.22**

9. Share Capital (continued…)

(e) ***Warrants (continued…)***

The following table summarizes information about the warrants outstanding and exercisable at May 31, 2025

Number of warrants outstanding	Number of warrants exercisable	Exercise price	Remaining life (years)	Expiry date
300,000	300,000	$0.50	0.58	December 29, 2025
281,250	281,250	$0.50	0.66	January 25, 2026
8,008,296	8,008,296	$0.20	1.17	August 2, 2026
8,589,546	**8,589,546**	**$0.22**	**1.14**	

(f) ***Restricted share units***

During the year ended August 31, 2021, the Company approved and adopted a Performance and Restricted Share Unit (RSU) Plan.

The Company did not grant any restricted share units during the period ended May 31, 2025 or the year ended August 31, 2024.

A summary of changes in the Company's RSUs is as follows:

	Number of RSUs
Balance, August 31, 2023	**336,000**
Exercised	(120,000)
Balance, August 31, 2024	**216,000**
Exercised	(144,000)
Expired	(72,000)
Balance, May 31, 2025	**-**

10. Related Party Disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the periods ended May 31, 2025 and May 31, 2024 the Company entered into the following transactions with key management personnel:

	Three months ended May 31, 2025	Three months ended May 31, 2024	Nine months ended May 31, 2025	Nine months ended May 31, 2024
Executive compensation - CEO	$ 12,000	$ 15,000	$ 48,000	$ 45,000
Executive compensation - CFO	10,500	21,000	37,500	63,000
Directors' fees (RSUs issued)	-	-	-	34,501
	$ 22,500	$ 36,000	$ 85,500	$ 142,501

On May 31, 2024, the Company entered into agreements with certain vendors, to transfer $220,222 of amounts owing to them from accounts payable, to long-term loans. The loans mature on May 31, 2026, and are non-interest bearing. Of the loans payable at May 31, 2025, $113,813 (August 31, 2024, $102,516) are due to directors and officers of the Company. (Note 8).

Included in accounts payable as at May 31, 2025 $38,850 (August 31, 2024 -$59,761) owed to directors, officers, and former directors and officers of the Company.

11. Financial Instruments

Fair values

Financial instruments are classified into one of the following categorised: fair value through profit and loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVTOCI"). The carrying value of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2025	August 31, 2024
Cash	FVTPL	$ 39,571	$ 1,238,404
Accounts payable and accrued liabilities	Amortized cost	$ 265,084	$ 200,194
Loans	Amortized cost	$ 191,497	$ 172,490

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

11. Financial Instruments (continued…)

Fair values (continued…)

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans. Cash is carried at fair value, using level 1 inputs. The fair value of accounts payable and accrued liabilities approximates their carrying amounts due to their time to maturity. The fair value of the loans would be their settlement amount of $220,222.

Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions. The carrying amount of cash represents the maximum credit exposure, being $39,571 at May 31, 2025.

Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying their outstanding payables within 30 days.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities for which there are cash outflows as at May 31, 2025:

Financial liability	Due in 1 year	Due in 2-3 years	Due in 4-5 yrs	Due after 5 years	Total
Accounts payable and accrued liabilities	$ 265,084	$ -	$ -	$ -	$ 265,084
Loans	191,497	-	-	-	191,497
	$ 456,581	$ -	$ -	$ -	$ 456,581

As at May 31, 2025, the Company had cash and cash equivalents of $39,571 to settle the non-discounted financial liabilities due within a year. The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short-term business requirements.

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. These fluctuations may be significant.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

11. Financial Instruments (continued…)

Risk (continued…)

Market Risk (continued…)

(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 May 31, 2025 the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

12. Capital Risk Management

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern. The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk of characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow and acquire or dispose of assets. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's policy is to invest its excess cash, if any, in highly liquid, short-term, interest bearing investments with maturities of one year or less from the date of acquisition.

13. Segmented Information

The Company operates in one reportable operating segment, being exploration and evaluation of mineral properties in Canada.