

POWER ONE RESOURCES CORP.

**Condensed Interim Financial Statements
For the nine months ended May 31, 2024
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)**

POWER ONE RESOURCES CORP.

Condensed Interim Statements of Financial Position

As at May 31, 2024 and August 31, 2023

(Expressed in Canadian dollars)

(Prepared by Management)

| | May 31, 2024 | August 31, 2023 |
|---|-------------------------|----------------------------|
| | <u>(unaudited)</u> | <u>(audited)</u> |
| ASSETS | | |
| Current | | |
| Cash | \$ 355,355 | \$ 1,000,215 |
| Marketable securities | 3,325 | 4,275 |
| Prepaid expenses | 72,131 | - |
| Amount receivable (Note 5) | 55,726 | 329 |
| Due from related party | 7,645 | - |
| Loan receivable | 393 | 50,393 |
| | 494,575 | 1,055,212 |
| Deferred listing costs | - | 7,865 |
| Exploration and evaluation assets (Note 6) | 2,773,786 | 2,421,286 |
| | \$ 3,268,361 | \$ 3,484,363 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities (Note 8) | \$ 164,840 | \$ 100,926 |
| Due to related party | 66 | 6,801 |
| Premium on flow-through (Note 10) | - | 78,283 |
| | 164,906 | 186,010 |
| Non-current | | |
| Accounts payable and accrued liabilities | 153,000 | 153,000 |
| | 317,906 | 339,010 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 7) | 3,561,799 | 3,561,799 |
| Contributed surplus | 157,500 | 157,500 |
| Deficit | (768,844) | (573,946) |
| | 2,950,455 | 3,145,353 |
| | \$ 3,268,361 | \$ 3,484,363 |

Going concern (Note 1)

Subsequent events (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on July 11, 2024:

/s/ Karim Rayani

/s/ Fraser Rieche

Karim Rayani

Fraser Rieche

POWER ONE RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and nine months ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

| | For the three months ended May 31, | | For the nine months ended May 31, | |
|--|---------------------------------------|-------------|--------------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Expenses | | | | |
| Consulting fees | \$ 22,808 | \$ - | \$ 30,204 | \$ 425 |
| Management fees (Note 8) | 73,000 | - | 90,000 | 60,000 |
| Office and miscellaneous | 4,502 | - | 13,038 | 365 |
| Filing fees | (434) | - | 31,094 | 10,732 |
| Listing expense | - | - | 5,700 | - |
| Professional fees | 45,157 | 32,284 | 86,795 | 43,758 |
| Promotion | 7,640 | - | 7,640 | - |
| Shareholder communication | 1,687 | - | 1,687 | - |
| Transfer agent | 2,690 | 750 | 6,073 | 10,358 |
| Total operating expenses | 157,050 | 33,034 | 272,231 | 125,628 |
| Loss before other items: | (157,050) | (33,034) | (272,231) | (125,628) |
| Other items | | | | |
| Interest expense (Note 8) | - | (3,148) | - | (6,537) |
| Other income (Note 10) | - | - | 78,283 | 1,782 |
| Unrealized loss on marketable securities | (950) | (2,375) | (950) | (2,375) |
| Write-off of interest payable (Note 8) | - | - | - | 4,891 |
| Total other items | (950) | (5,523) | 77,333 | (2,239) |
| Net loss and comprehensive loss for the period | \$ (158,000) | \$ (38,557) | \$ (194,898) | \$ (127,867) |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted average number of common shares outstanding | 33,218,597 | 33,218,597 | 33,218,597 | 32,872,059 |

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

POWER ONE RESOURCES CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the nine months ended May 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

| | Number of shares | Share capital | Share subscription received | Contributed Surplus | Deficit | Total shareholders' equity |
|---|---------------------|------------------|-----------------------------------|------------------------|--------------|----------------------------------|
| Balance, August 31, 2022 | 32,234,597 | \$ 3,482,299 | \$ - | \$ 157,500 | \$ (424,190) | \$ 3,215,609 |
| Private placement | 795,000 | 111,300 | - | - | - | 111,300 |
| Premium on flow-through shares | - | (31,800) | - | - | - | (31,800) |
| Net loss and comprehensive loss for the period | - | - | - | - | (127,867) | (127,867) |
| Balance, May 31, 2023 | 33,218,597 | \$ 3,561,799 | \$ - | \$ 157,500 | \$ (552,057) | \$ 3,167,242 |
| Balance, August 31, 2023 | 33,218,597 | \$ 3,561,799 | \$ - | \$ 157,500 | \$ (573,946) | \$ 3,145,353 |
| Net loss and comprehensive loss for the period | - | - | - | - | (194,898) | (194,898) |
| Balance, May 31, 2024 | 33,218,597 | \$ 3,561,799 | \$ - | \$ 157,500 | \$ (768,844) | \$ 2,950,455 |

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

POWER ONE RESOURCES CORP.
Condensed Interim Statements of Cash Flows
For the nine months ended May 31, 2024 and 2023
(Expressed in Canadian dollars)
(Unaudited- Prepared by Management)

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Operating Activities | | |
| Net loss for the period | \$ (194,898) | \$ (127,867) |
| Items not affecting cash | | |
| Loss on fair value of marketable securities | 950 | 2,375 |
| Interest expense | - | 3,288 |
| Other income | (78,283) | (1,782) |
| Write-off of interest payable | - | (4,891) |
| Changes in non-cash working capital items related to operations: | | |
| Amount receivable | (55,397) | 2,209 |
| Prepaid expenses | (64,266) | - |
| Accounts payable and accrued liabilities | 63,914 | 44,045 |
| Due from/to related party | (14,380) | (490) |
| Cash used in operating activities | (342,360) | (83,113) |
| Financing Activities | | |
| Repayment of loan | - | (100,000) |
| Issuance of common shares - Net | - | 111,300 |
| Share subscriptions received | - | - |
| Cash provided by financing activities | - | 11,300 |
| Investing Activity | | |
| Exploration and evaluation assets | (352,500) | (7,722) |
| Other receivable | - | (100,393) |
| Loan repayment received | 50,000 | - |
| Cash used in investing activity | (302,500) | (108,115) |
| Change in cash during the period | (644,860) | (179,928) |
| Cash, beginning of period | 1,000,215 | 1,130,143 |
| Cash, end of the period | \$ 355,355 | \$ 950,215 |
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid during the period: | | |
| Interest | \$ - | \$ - |
| Income taxes | \$ - | \$ - |

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

POWER ONE RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended May 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. Nature and continuance of operations

Power One Resources Corp. (the “Company”) was incorporated on March 23, 2021 under the laws of the Province of British Columbia, Canada, as a wholly-owned subsidiary of Marvel Discovery Corp. (“Marvel”). On May 13, 2021, a Plan of Arrangement (the “Plan of Arrangement”) was approved by the shareholders of Marvel whereby Marvel distributed 100% of its interest in certain properties (the “Spin-out Properties”) to the Company.

The Company’s principal activity is the acquisition and exploration of mineral properties in Canada.

The corporate office and principal place of business of the Company is Suite 1100 – 1111 Melville Street, Vancouver, B.C., V6E 3V6.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. At May 31, 2024 the Company was in the exploration stage and had interests in properties in Canada.

These condensed interim financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern and the recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof. There is significant uncertainty regarding the outcome of these matters. The Company has sustained losses from operations and has an ongoing requirement for capital investment to explore its exploration and evaluation assets. As at May 31, 2024, the Company had a working capital of \$329,669 (August 31, 2023 - \$869,202) and accumulated deficit of \$768,844 (August 31, 2023 - \$573,946). Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

POWER ONE RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended May 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

2. Basis of preparation

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on July 11, 2024.

Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

3. Significant accounting policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2023. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended August 31, 2023.

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

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

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

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

These amendments continue the IASB's clarifications on applying the concept of materiality which help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023, and the Company has evaluated the impact of the amendments on its financial statements, and determined that there is no material impact.

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Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 1.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties 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.

Impairment of Mineral Properties

In accordance with the Company's accounting policy for its mineral properties, exploration and evaluation expenditures on mineral properties are capitalized. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. The Company applies judgment to determine whether indicators of impairment exist for these capitalized costs.

Management uses several criteria in making this assessment, including the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted, and evaluation of the results of exploration and evaluation activities up to the reporting date.

5. Amounts receivable

| | May 31, 2024 | August 31, 2023 |
|------------------------------------|-----------------|--------------------|
| Goods and services tax recoverable | \$ 55,726 | \$ 329 |

POWER ONE RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

6. Exploration and evaluation assets

| | Serpent River | Wicheeda | Total |
|----------------------------|----------------------|-----------------|--------------|
| August 31, 2022 | \$ 2,158,914 | \$ 254,650 | \$ 2,413,564 |
| Exploration and evaluation | 5,408 | 2,314 | 7,722 |
| May 31, 2023 | 2,164,322 | 256,964 | 2,421,286 |
| August 31, 2023 | 2,164,322 | 256,964 | 2,421,286 |
| Exploration expenditures | 315,000 | 37,500 | 352,500 |
| May 31, 2024 | \$ 2,479,322 | \$ 294,464 | \$ 2,773,786 |

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Serpent River Project (Ontario)

On May 13, 2021, the Company completed a plan of arrangement with Marvel and acquired 100% interest in ten mining claims in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario. The original agreement included a 2.0% Net Smelter Return Royalty ("NSR") relating to the original acquisition by Marvel. The Company may at any time purchase 1.0% of the NSR for \$1.5 million.

Wicheeda North Property (British Columbia)

On May 13, 2021, the Company completed a plan of arrangement with Marvel and acquired 100% interest in four mineral claims located in the Cariboo Mining Division northeast of Prince George, British Columbia. The original agreement requires a payment of 2% NSR. The Company may acquire one-half of the NSR for \$1 million within five years of the agreement date.

7. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Issued share capital

At May 31, 2024 there were 33,218,597 (August 31, 2023 – 33,218,597) issued and fully paid common shares.

Issuances

There are no share issuances during the nine months ended May 31, 2024.

POWER ONE RESOURCES CORP.

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For the nine months ended May 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. Share capital – (cont'd)**Issuances – (cont'd)**

During the year ended August 31, 2023:

On December 28, 2022, the Company issued 795,000 units at a price of \$0.14 per unit for total proceeds of \$111,300. Each unit consists of one flow-through common share and a non-flow-through share purchase warrant exercisable into a common share for a period of three years from the date of issuance. Each share purchase warrant is exercisable at a price of \$0.40. The Company recognized a flow-through premium of \$31,800 on the private placement.

Share Purchase Warrants

The changes in warrants during the nine months ended May 31, 2024 and for the year ended August 31, 2023 are as follows:

| | May 31, 2024 | | August 31, 2023 | |
|------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Balance, beginning of period | 13,983,846 | \$ 0.35 | 13,188,846 | \$ 0.35 |
| Issued | - | - | 795,000 | 0.40 |
| Balance, end of period | 13,983,846 | \$ 0.35 | 13,983,846 | \$ 0.35 |

Details of warrants outstanding as at May 31, 2024 are as follows:

| Number of warrants | Exercise price \$ | Date of expiry |
|--------------------|-------------------|-------------------------------------|
| 2,000,000 | 0.10 | July 27, 2024 |
| *1,030,000 | 0.50 | 12/24-months following listing date |
| *1,000,000 | 0.30/0.50 | 12/24-months following listing date |
| *9,158,846 | 0.30/0.50 | 12/24-months following listing date |
| 795,000 | 0.40 | December 28, 2025 |
| 13,983,846 | | |

*During the year ended August 31, 2023, the Company extended the terms of an aggregate of 11,188,846 warrants to be exercisable at \$0.30 per warrant until 12 months following the Listing Date and at \$0.50 per warrant thereafter until 24 months following the Listing Date defined as the date on which the Company's shares begin trading on the TSX Venture Exchange which was January 18, 2024.

Stock options

On April 19, 2022, the Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

On April 19, 2022, the Company granted 1,750,000 stock options to directors and officers of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option held at \$0.14 per share expiring on April 19, 2027, and vest at the date of grant. The fair value of

POWER ONE RESOURCES CORP.

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. Share capital – (cont'd)**Stock options – (cont'd)**

the stock option of \$122,500 was determined using the Black -Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.10, Risk-free interest rate of 2.64%, Dividend yield of 0%, Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

On June 8, 2022, the Company granted 250,000 stock options to a director of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option held at \$0.14 per share expiring on June 8, 2027, and vest at the date of grant. The fair value of the stock option of \$17,500 was determined using the Black -Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.10, Risk-free interest rate of 3.17%, Dividend yield of 0%, Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

On June 13, 2022, the Company granted 250,000 stock options to a director of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option held at \$0.14 per share expiring on June 13, 2027, and vest at the date of grant. The fair value of the stock option of \$17,500 was determined using the Black -Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.10, Risk-free interest rate of 3.17%, Dividend yield of 0%, Expected life of 5 years; forfeiture rate of 0% and Expected volatility of 100%. Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable start-up companies.

The changes in stock options during the nine months ended May 31, 2024 and for the year ended August 31, 2023 are as follows:

| | May 31, 2024 | | August 31, 2023 | |
|------------------------------|----------------------------|---------------------------------------|----------------------------|---------------------------------------|
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| Balance, beginning of period | 1,900,000 | \$ 0.14 | 2,000,000 | \$ 0.14 |
| Granted | - | - | - | - |
| Cancelled | - | - | (100,000) | 0.14 |
| Balance, end of period | 1,900,000 | \$ 0.14 | 1,900,000 | \$ 0.14 |

Details of options outstanding and exercisable as at May 31, 2024 are as follows:

| Number of stock options | Exercise price \$ | Date of expiry |
|----------------------------|----------------------|----------------|
| 1,400,000 | 0.14 | April 19, 2027 |
| 250,000 | 0.14 | June 8, 2027 |
| 250,000 | 0.14 | June 13, 2027 |
| 1,900,000 | | |

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. Related party transactions***Related party balances***

The following amount is included in accounts payable and accrued liabilities:

| | May 31, 2024 | August 31, 2023 |
|---|-------------------------|----------------------------|
| <u>Current accounts payable and accrued liabilities</u> | | |
| R7 Capital Ventures Ltd. controlled by CEO | \$ - | \$ - |
| Brant Capital Partners Inc. controlled by CFO | 2,260 | - |
| | <u>\$ 2,260</u> | <u>\$ -</u> |
| <u>Non-current accounts payable and accrued liabilities</u> | | |
| R7 Capital Ventures Ltd. controlled by CEO | \$ 153,000 | \$ 153,000 |

Current accounts payable and accrued liabilities include \$2,260 (August 31, 2023-\$nil) payable to a company controlled by the CFO. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in due from related party at May 31, 2024 is \$7,645 (August 31, 2023-\$(6,801)) for payment of invoices by Power One on behalf of Marvel. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in non-current accounts payable and accrued liabilities at May 31, 2024 is an amount of \$153,000 (August 31, 2023-\$153,000) due to R7 Capital Ventures Ltd. (the "Lender"), a company controlled by the CEO. On April 1, 2023, the Company entered into a debt amendment agreement with the lender. The Lender has agreed to not seek repayment of the debt of \$153,000 repayable 15-months following the date the company's common shares begin trading on the TSXV. No interest will be accrued on the debt unless it is not repaid by the payment date, in which case retroactive interest at a rate of 7.5% per annum will apply from the date of the agreement.

On November 29, 2022, the Company entered into a debt settlement subscription agreement with Marvel whereby the Company agreed to accept 95,000 units of Marvel in full satisfaction of the \$10,450 balance owing from Marvel at year-end. Each unit consists of one common share and one warrant. Each warrant is exercisable into an additional common share of Marvel at a price of \$0.18 per warrant for a period of two years from the date of issuance. The units were issued on December 12, 2022

On June 15, 2022, the Company entered into a loan agreement with Marvel to borrow \$100,000 which is unsecured, bears interest at 7.5% per annum and was to be repaid the earlier of five business days following the Company's first equity financing of at least \$1,000,000 or thirteen months following the date of this agreement. On February 7, 2023, the Company repaid the \$100,000 to Marvel and Marvel agreed to waive the interest. Accordingly, the Company recorded a write-off of interest payable of \$4,891 during the fiscal year ended August 31, 2023.

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(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. Related party transactions – (cont'd)***Key management personnel compensation***

The Company's related parties include key management personnel, which includes Officers and Directors of the Company, and companies related by way of directors or shareholders in common. During the nine months ended May 31, 2024 and 2023 are as follows:

| | For the nine months ended May 31, | |
|--------------------------------|-----------------------------------|-----------|
| | 2024 | 2023 |
| Consulting and management fees | \$ 90,000 | \$ 60,000 |
| Rent | \$ 9,000 | \$ - |
| Accounting fees | \$ 15,000 | \$ - |

9. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

The Company is exposed to credit risk by holding cash. Holding the cash in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure, and its various refundable credits are due from the Canadian government. The Company is exposed to credit risk with respect to accounts receivable and amount due from related party, and the maximum exposure is its carrying amount on the statement of financial position.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short-term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. The Company pays interest on loans at a fixed interest rate which does not pose an interest rate risk. Currently, this risk will have an immaterial effect on operations.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available to the Company.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by careful management of its working capital and deferring related party payables.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at May 31, 2024 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

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For the nine months ended May 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

9. Financial risk management – (cont'd)

Capital Management

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

There were no changes in the Company's approach to capital management during the period ended May 31, 2024.

Fair Value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured using level 1 fair value hierarchy.

Management believes that the recorded values of all cash, accounts receivable, accounts payable and accrued liabilities, loan payable, and amounts due to and from related parties approximate their current fair values because of their nature and anticipated settlement dates.

10. Income taxes

Flow-through

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures within a 24 month period. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended August 31, 2022, the Company received \$209,150 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. A flow-through premium of \$48,265 was recognized initially.

During the year ended August 31, 2023, the Company received \$111,300 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. A flow-through premium of \$31,800 was recognized initially.

During the nine months ended May 31, 2024, the Company recognized \$78,283 as other income and a remaining flow-through premium of \$nil as at May 31, 2024.

POWER ONE RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended May 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

11. Subsequent events

There were no reportable events subsequent to May 31, 2024.