QUANTUM CRITICAL METALS CORP. (formerly Durango Resources Inc.)
(An Exploration Company)
FINANCIAL STATEMENTS

YEARS ENDED JULY 31, 2025 AND 2024
(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Quantum Critical Metals Corp. (formerly Durango Resources Inc.)

Opinion

We have audited the financial statements of Quantum Critical Metals Corp. (formerly Durango Resources Inc.) (the "Company"), which comprise the statements of financial position as at July 31, 2025 and 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 of the financial statements, which indicates that the Company incurred a net loss of $917,776 during the year ended July 31, 2025 and, as of that date, the Company's total deficit was $11,719,200. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company'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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

<u>Assessment of Impairment of Exploration and Evaluation Assets</u>

As described in Note 4 of the financial statements, the carrying amount of the Company's exploration and evaluation assets is $1,869,714 as at July 31, 2025 as a result of an impairment charge of $136,633 recorded in the year. As more fully described in Note 3 to the financial statements, management assesses for indicators of impairment at each statement of financial position date.

The assessment of impairment indicators of exploration and evaluation assets is identified as a key audit matter due to significant judgment made by management, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the exploration and evaluation assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the exploration and evaluation assets through discussion and communication with management; and

- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the exploration and evaluation assets are in good standing.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current year ended 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 Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
November 28, 2025

Quantum Critical Metals Corp.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at		July 31, 2025		July 31, 2024
Assets				
Current assets				
Cash	**$**	**1,288,467**	$	117,760
Amounts receivable		**63,090**		31,526
Prepaid expenses		**78,836**		22,803
		1,430,393		172,089
Non-current assets				
Exploration and evaluation assets (Note 4)		**1,869,714**		1,378,706
Reclamation bond (Note 4)		**10,000**		10,000
Total Assets	**$**	**3,310,107**	$	1,560,795
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**143,209**	$	107,785
Due to related parties (Note 7)		**245,504**		301,368
Flow-through premium (Note 10)		**-**		118,855
Part XII.6 tax payable (Note 10)		**79,228**		74,158
		467,941		602,166
Non-current liabilities				
Provision for indemnity (Note 10)		**162,700**		21,030
Total Liabilities		**630,641**		623,196
Shareholders' equity				
Share capital (Note 5)		**12,724,753**		10,494,239
Reserves (Note 5)		**1,673,913**		1,244,784
Deficit		**(11,719,200)**		(10,801,424)
Total Shareholders' Equity		**2,679,466**		937,599
Total Liabilities and Shareholders' Equity	**$**	**3,310,107**	$	1,560,795

Nature and continuance of operations (Note 1)
Commitments (Notes 9 and 10)
Subsequent events (Note 14)

Approved and authorized by the Board on November 28, 2025.

"Marcy Kiesman"
Director

"Melanie MacKay"
Director

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

Quantum Critical Metals Corp.
(An Exploration Stage Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended		July 31, 2025		July 31, 2024
Operating expenses				
Business consultants (Note 7)	**$**	**190,000**	$	120,000
Directors' fees (Note 7)		**14,000**		16,000
Exploration expense		**2,500**		8,000
Internet and website		**2,935**		4,680
Investor relations and conferences		**21,675**		6,122
Listing and transfer agent fees		**49,223**		27,312
Meals and entertainment		**3,866**		2,200
Office and miscellaneous		**23,918**		15,630
Part XII.6 tax (Note 10)		**5,070**		74,158
Professional fees (Note 7)		**57,305**		68,033
Share-based compensation (Note 5 and 7)		**375,994**		34,746
Travel		**11,843**		3,390
		(758,329)		(380,271)
Other items				
Flow-through recovery (Note 10)		**118,855**		213,474
Indemnity on flow-through shares (Note 10)		**(141,669)**		(21,030)
Mining tax credits received on previously impaired exploration and evaluation assets		**-**		-
Write-off of exploration and evaluation assets (Note 4)		**(136,633)**		-
		(159,447)		192,444
Loss and comprehensive loss for the year	**$**	**(917,776)**	$	(187,827)
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.00)
Weighted average number of shares outstanding - basic and diluted		**97,787,678**		94,206,872

The accompanying notes are an integral part of these financial statements

Quantum Critical Metals Corp.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended	July 31, 2025	July 31, 2024
Cash provided by (used in)		
Operating activities		
Net loss for the year	**$ (917,776)**	$ (187,827)
Items not involving cash:		
Write-off of exploration and evaluation assets	**136,633**	-
Flow-through recovery	**(118,855)**	(213,474)
Indemnity on flow-through shares	**141,670**	21,030
Part XII.6 tax	**5,070**	74,158
Share-based compensation	**375,994**	34,746
Changes in non-cash working capital items:		
Amounts receivable	**(31,564)**	(24,925)
Prepaid expenses	**(56,032)**	(22,803)
Due to related parties	**(68,713)**	192,690
Accounts payable and accrued liabilities	**(21,766)**	79,900
Net cash used in operating activities	**(555,339)**	(46,505)
Investing activities		
Exploration and evaluation costs	**(277,603)**	(451,334)
Net cash used in investing activities	**(277,603)**	(451,334)
Financing activities		
Proceeds from issuance of common shares	**2,029,100**	-
Share issue costs	**(70,451)**	-
Proceeds from options exercised	**45,000**	-
Net cash provided by financing activities	**2,003,649**	-
Change in cash during the year	**1,170,707**	(497,839)
Cash, beginning of year	**117,760**	615,599
Cash, end of year	**$ 1,288,467**	$ 117,760

Supplemental cash flow information (Note 8)

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

Quantum Critical Metals Corp.
(An Exploration Stage Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholders' Equity**
Balance, July 31, 2023	**94,206,872**	**$ 10,494,239**	**$ 1,210,038**	**$ (10,613,597)**	**$ 1,090,680**
Share-based compensation	-	-	34,746	-	34,746
Net loss for the year	-	-	-	(187,827)	(187,827)
Balance, July 31, 2024	**94,206,872**	**10,494,239**	**1,244,784**	**(10,801,424)**	**937,599**
Shares issued for exploration and evaluation assets	4,000,000	280,000	-	-	280,000
Shares issued for options exercised	900,000	45,000	-	-	45,000
Allocation of fair value on exercise of options	-	11,131	(11,131)	-	-
Shares issued for non flow-through private placement	20,291,003	2,029,100	-	-	2,029,100
Finders' fee – cash	-	(54,117)	-	-	(54,117)
Finders' fee – warrants	-	(64,266)	64,266	-	-
Share issuance costs	-	(16,334)	-	-	(16,334)
Share-based compensation	-	-	375,994	-	375,994
Net loss for the year	-	-	-	(917,776)	(917,776)
Balance, July 31, 2025	**119,397,875**	**$ 12,724,753**	**$ 1,673,913**	**$ (11,719,200)**	**$ 2,679,466**

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

1. Nature and Continuance of Operations

Durango Resources Inc. was incorporated on August 21, 2006 under the Business Corporations Act of British Columbia. On March 17, 2025 the company changed its name to Quantum Critical Metals Corp. (the "Company") and is listed on the TSX Venture Exchange under the symbol "LEAP". The Company is engaged in the business of exploring for precious and base mineral properties in Canada. At July 31, 2025, the Company is considered an exploration stage company. The head office and principal address of the Company is PO Box 31880, Richmond, BC V7E 0B5.

These financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the year ended July 31, 2025, the Company incurred a net loss of $917,776 (2024 - $187,827). As at July 31, 2025, the Company has a working capital of $962,452 (2024 - working capital deficiency of $430,077) and has an accumulated deficit of $11,719,200 (2024 - $10,801,424), and has not yet determined whether its properties contain mineral reserves that are economically recoverable.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern such that it can support continued exploration and evaluation of its assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The continuation of the Company is dependent upon the continuing financial support of shareholders, obtaining long-term financing to complete exploration and development and the existence of economically recoverable reserves, and upon future profitable production. Based on its current plans, budgeted expenditures, and cash requirements, the Company may not have sufficient cash to finance its current exploration program and maintain corporate capacity for twelve months. The Company may 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 circumstances comprise a material uncertainty which 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 regional conflicts and potential economic global challenges such as the risk of higher inflation and energy crisis, may create further uncertainty and risk with respect to the prospects of the Company's business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might arise from this uncertainty.

2. Basis of Presentation

These financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Material Accounting Policy Information

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. 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 year in which the estimate is revised and future periods if the revision affects both current and future years. 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 Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The application of the Company's accounting policy for the valuation of exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

ii) The determination of the fair value related to share-based payments are subject to estimates. The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions 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 inputs to the valuation model including the expected life of the share option, volatility, forfeiture rates, and dividend yield and making assumptions about them.

iii) The measurement of the provisions for indemnity requires significant judgement in assessing the compliance with relevant flow-through financing tax requirements. Significant estimates are made when measuring the potential impact on shareholders for the shortfall of exploration expenditures claimed.

3. Material Accounting Policy Information (continued)

Significant Accounting Estimates and Judgments (continued)

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company's management made the following critical accounting judgments:

i) The Company's ability to continue as a going concern for the foreseeable future involves judgement by management. Factors are disclosed in Note 1.

ii) The title and rights to exploration and evaluation assets. 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 or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii) The measurement and recognition of deferred income tax assets and liabilities. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized.

Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits, cashable guaranteed investment certificates and all highly liquid investments with a maturity of three months or less at the date of purchase. Due to the short time to maturity of cash equivalents, their carrying amounts approximate their fair value. As of July 31, 2025 and 2024, the Company did not have any cash equivalents.

Exploration and Evaluation Assets

The Company is in the exploration stage in respect to its exploration and evaluation assets.

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

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such unpaid amounts are not recorded as a liability if they are payable entirely at the Company's discretion.

3. Material Accounting Policy Information (continued)

Exploration and Evaluation Assets (continued)

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

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 may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized. However, for corporate income tax purposes, the Company has no right to claim these costs as tax-deductible expenses.

Mining exploration tax credits for certain exploration expenditures incurred in BC and Quebec are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year received due to uncertainty in collectability.

Impairment of Non-Current Assets

Non-current assets are evaluated at each reporting date by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

In calculating recoverable amounts, if applicable, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social, legal, and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount.

3. Material Accounting Policy Information (continued)

Impairment of Non-Current Assets (continued)

The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

The Company assesses exploration and evaluation assets for impairment at each reporting date.

Reversal of Impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Provision for Environmental Rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

As at July 31, 2025 and 2024, the Company does not have any provisions for reclamation obligations. As at July 31, 2025, the Company holds a total of $10,000 (2024 - $10,000) in reclamation bonds for the Mayner's Fortune Claims.

Income Taxes

Deferred income 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. Temporary differences are not provided for which relate to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 Policy Information (continued)

Flow-through Shares and Units

The Company has from time-to-time, issued flow-through common shares and units to finance its exploration program. Pursuant to the terms of the subscription agreements, these shares and units transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: i) share capital – the market trading price of the common shares, ii) flow-through share premium – equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and iii) warrant reserve – any excess.

Upon eligible expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability and deferred tax expense for the amount of tax reduction renounced to the shareholders. The reduction of the premium previously recorded is recognized as flow-through recovery.

Proceeds received from the issuance of flow-through units are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act). As of July 31, 2025, the Company had an unspent flow-through commitment of $264,802 (2024 - $266,899) (Note 10).

In the event, expenditure obligations are not met, pursuant to applicable regulation, the Company may also be subject to a Part XII.6 tax and additional indemnity obligations on flow-through proceeds renounced under the Lookback Rule.

Share Capital

The proceeds from the exercise of stock options, warrants and common shares are recorded as share capital in the amount for which the option, warrant or common share enabled the holder to purchase a share in the Company. The Company's common shares (including those issued as flow-through shares), common share purchase warrants and stock options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, options or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Earnings (Loss) per Share

The Company applies the "Treasury Stock Method" to calculate loss per common share. Under this method, the basic loss per share is calculated based on the weighted average aggregate number of common shares outstanding during each period. The diluted loss per share assumes that the outstanding stock options and share purchase warrants had been exercised at the beginning of the period and proceeds from dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. The assumed conversion of outstanding common share purchase warrants and options had an anti-dilutive impact in 2025 and 2024.

Valuation of Warrants

The Company has adopted the residual value method with respect to the valuation of warrants issued as part of a unit. The residual value method allocates the net proceeds to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the attached warrants.

3. Material Accounting Policy Information (continued)

Share-based Payments

Under the Company's stock option plan, it may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

When equity instruments expire unexercised, the amounts originally recorded in reserves remain without being transferring to deficit.

3. Material Accounting Policy Information (continued)

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash	Amortized cost
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Provision for indemnity	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

3. Material Accounting Policy Information (continued)

Financial Instruments (continued)

Measurement (continued)

The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows for the asset expire, or when it transfers the final asset and substantially all the risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or expire.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

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. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Adoption of new accounting pronouncements

Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services. The adoption does not have a material impact on its financial statements.

New accounting standards and interpretations issued but not yet adopted

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

4. Exploration and Evaluation Assets

	Mayner's Fortune	Babine Lake	Victory	Prophecy	BC Minerals	Decouverte	Chapiteau Rare Earth	Copper Properties	Nemaska Claims	Total
	British Columbia					Quebec				
Balance, July 31, 2023	$ 123,711	$ -	$ -	$ -	$ 95,284	$ 608,882	$ -	$ -	$ 99,495	$ 927,372
Deferred exploration costs										
Assay & Exploration	5,768	-	-	-	7,077	39,845	-	-	241,883	294,573
Drilling	-	-	-	-	-	-	-	-	142,261	142,261
Professional services	4,000	-	-	-	-	10,500	-	-	-	14,500
Additions	9,768	-	-	-	7,077	50,345	-	-	384,144	451,334
Balance, July 31, 2024	**$ 133,479**	**$ -**	**$ -**	**$ -**	**$ 102,361**	**$ 659,227**	**$ -**	**$ -**	**$ 483,639**	**$ 1,378,706**
Acquisition costs										
Cash payments	1,312	2,157	2,500	15,511	6,281	-	2,500	5,000	-	35,261
Shares issued	-	-	70,000	-	-	-	70,000	140,000	-	280,000
Current year additions	1,312	2,157	72,500	15,511	6,281	-	72,500	145,000	-	315,261
Deferred exploration costs										
Assay & Exploration	1,842	138,834	-	49	10,359	16,326	-	-	35,123	202,533
Claim maintenance	-	-	-	-	-	4,598	-	-	9,322	13,920
Professional Services	-	42,000	-	-	-	26,201	-	-	27,726	95,927
Current year additions	1,842	180,834	-	49	10,359	47,125	-	-	72,171	312,380
Write off costs	(136,633)	-	-	-	-	-	-	-	-	(136,633)
Balance, July 31, 2025	**$ -**	**$ 182,991**	**$ 72,500**	**$ 15,560**	**$ 119,001**	**$ 706,352**	**$ 72,500**	**$ 145,000**	**$ 555,810**	**$ 1,869,714**

4. Exploration and Evaluation Assets (continued)

Nemaska/NMX East claims, Quebec

During the years ended July 31, 2016 and 2015, the Company staked claims in northern Quebec, forming the Nemaska/NMX East claims property. During the year ended July 31, 2025, $72,171 (2024 - $384,144) in exploration expenditures were completed on the property.

Decouverte claims, Quebec

The Company owns a 100% interest in the Decouverte Property situated in Quebec.

During the year ended July 31, 2025, $47,125 (2024 - $50,345) in exploration expenditures were completed on the property.

Chapiteau Rare Earth, Quebec

During the year ended July 31, 2025, the Company acquired a 100% interest in the Chapiteau Rare Earth Property in Quebec through a cash payment of $2,500 (2024 - $nil) and issuance of 100,000 common shares with a fair value of $70,000 (2024 - $nil).

Copper Properties, Quebec

During the year ended July 31, 2025, the Company acquired a 100% interest in the Copper Properties in Quebec through a cash payment of $5,000 (2024 - $nil) and issuance of 200,000 common shares with a fair value of $140,000 (2024 - $nil).

Mayner's Fortune claims, British Columbia

The Company owns a 100% interest in the Mayner's Fortune property, situated in northern British Columbia. During the year ended July 31, 2025, $1,842 (2024 - $9,768) in exploration expenditures were completed on the property as well as $1,312 (2024 - $nil) in acquisition costs. During the year ended July 31, 2025, the property was written down to $nil as management had no future plans for the property.

As at July 31, 2025 and 2024, the Company holds a total of $10,000 in reclamation bonds for the Mayner's Fortune Claims, which remains in good standing.

BC Minerals, British Columbia

The Company holds a 100% interest in land packages in the Babine copper-gold district of west-central British Columbia. During the year ended July 31, 2025, $10,359 (2024 - $7,077) in exploration expenditures and were incurred for the property as well as $6,281 (2024 - $nil) in acquisition costs.

Babine, British Columbia

During the year ended July 31, 2025, the Company staked the Babine Lake property in British Columbia for cash acquisition costs of $2,157 (2024 - $nil). During the year ended July 31, 2025, $180,834 (2024 - $nil) in exploration expenditures were incurred on the Property.

4. Exploration and Evaluation Assets (continued)

Victory, British Columbia

During the year ended July 31, 2025, the Company acquired a 100% interest in the Victory property in British Columbia through a cash payment of $2,500 (2024 - $nil) and issuance of 100,000 common shares with a fair value of $70,000 (2024 - $nil).

Prophecy, British Columbia

During the year ended July 31, 2025, the Company staked the Prophecy property in British Columbia for cash acquisition costs of $15,511 (2024 - $nil). During the year ended July 31, 2025, $49 (2024 - $nil) in exploration expenditures were incurred on the Property.

5. Share Capital

Authorized: Unlimited number of common shares without par value.

a. During the year ended July 31, 2025, the Company completed:

(i) Completed a non-brokered private placement of 20,291,003 non flow-through units at a price of $0.10 per unit for gross proceeds of $2,029,100. Each unit consisted of one flow-through common share and one share purchase warrant exercisable at $0.20 for a period of two years, expiring July 16, 2027.

In connection with the financing, the Company paid a cash finders' fee of $54,117 and issued 541,170 broker warrants valued at $64,266. Each broker warrant is exercisable at $0.20 for a period of two years. The broker warrants were valued using the Black-Scholes valuation model with the following assumptions: estimated life – 2 years, share price - $0.14, exercise price - $0.20, risk-free rate – 3.64%, estimated annual rate of dividends – 0%, and estimated annual volatility – 213.01% (based on the historical volatilities of the Company).

(ii) Acquired interests in a properties in British Columbia and Quebec in exchange for $10,000 and a total of 4,000,000 common shares at a price of $0.20 per share.

b. During the year ended July 31, 2024, there were no share transactions.

5. Share Capital (continued)

c. Stock options

The Company has adopted an incentive stock option plan, whereby options may be granted from time to time to directors, officers, employees and consultants of the Company with common shares to be reserved for issuance upon the exercise of options not to exceed 10% of the issued and outstanding common shares with no one individual being granted options for more than 5% of the issued and outstanding common shares. Stock options granted have a maximum term of ten years according to the TSX Venture rules. The fair value of stock options issued in the years ended July 31, 2025 and 2024 were estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

	July 31, 2025	July 31, 2024
Estimated life	3 years	5 years
Share price at date of grant	$0.081	$0.02
Option exercise price	$0.090	$0.05
Risk-free interest rate	3.76%	1.82%
Estimated annual volatility	195.41%	94.59%
Option fair value	$0.072	$0.012
Fair value	$375,994	$34,746

Stock Options Outstanding

	Number of options	Weighted average exercise price
Outstanding July 31, 2023	**5,000,000**	**$ 0.110**
Cancelled	(800,000)	0.109
Issued	3,000,000	0.050
Outstanding July 31, 2024	**7,200,000**	**$ 0.087**
Exercised	(900,000)	0.050
Expired	(1,600,000)	0.100
Forfeited	(350,000)	0.120
Issued	5,200,000	0.090
Outstanding July 31, 2025	**9,550,000**	**$ 0.089**

A summary of the Company's options outstanding and exercisable at July 31, 2025 is as follows:

Number of options outstanding	Number of options exercisable	$ per share	Expiry date
2,050,000	2,050,000	$0.125	September 9, 2025
200,000	200,000	$0.100	January 18, 2026
2,050,000	2,050,000	$0.050	November 1, 2027
2,250,000	2,250,000	$0.050	October 23, 2028
3,000,000	3,000,000	$0.120	June 9, 2030
9,550,000	**9,550,000**	**$0.089**	

As at July 31, 2025, the weighted average remaining life of the options was 2.81 years (2024 - 2.33 years).

5. Share Capital (continued)

d. Warrants

Warrants Outstanding

	Number of warrants	Weighted average exercise price
Outstanding July 31, 2023	**24,353,674**	**$ 0.146**
Expired	(18,895,340)	0.141
Outstanding July 31, 2024	**5,458,334**	**0.163**
Expired	(5,458,334)	0.163
Issued	20,832,173	0.200
Outstanding July 31, 2025	**20,832,173**	**$ 0.200**

A summary of the Company's warrants outstanding at July 31, 2025 is as follows:

Number of warrants outstanding	Exercise price	Expiry date
422,870	$0.20	June 26, 2027
10,141,000	$0.20	June 27, 2027
4,000,000	$0.20	July 15, 2027
118,300	$0.20	July 15, 2027
6,000,003	$0.20	July 17, 2027
150,000	$0.20	July 27, 2027
20,832,173		

As at July 31, 2025, the weighted average remaining life of the warrants was 1.93 years (2024 - 0.42 years).

6. Capital Management

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

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended July 31, 2025. The Company is not subject to externally imposed capital requirements.

7. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the Chief Executive Officer and Chief Financial Officer.

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

For the years ended July 31,	2025	2024
Consulting fees with a company controlled by the CEO of the Company	$ 120,000	$ 120,000
Director's and accounting fees	38,000	40,000
Geological consulting fees	58,000	14,500
Share-based compensation	125,568	34,429
	$ 341,568	$ 208,929

As at July 31, 2025 amounts due to related parties of $245,504 (2024 - $301,368) were owed to the CEO, CFO and directors of the Company. The amounts due are non-interest bearing, unsecured, and due on demand.

8. Supplemental Cash Flow Information

Non-cash investing and financing activities during the years ended July 31, 2025 and 2024 were as follows:

For the years ended July 31,	2025	2024
	$	$
Broker warrants issued	64,266	-
Shares issued for exploration and evaluation assets	280,000	-
Allocation of fair value from reserves to share capital on exercise of stock options	11,131	-
Exploration and evaluation assets outstanding in accounts payable and accrued liabilities	79,241	9,202

During the years ended July 31, 2025 and 2024, the Company paid $nil in interest expense and $nil for taxes.

9. Commitments

The Company entered into a contract on June 1, 2017, with a company wholly owned by the President of the Company. The contract obligates the Company to pay $10,000 per month for management services until terminated. In the event of termination of the agreement without cause, the Company must pay severance equal to 6 months of management fees ($60,000). In the event of termination of the agreement due to change in control of the Company, the Company must pay severance of $175,000.

9. Commitments (continued)

The Company entered into a consulting agreement on December 5, 2018, with the CFO of the Company that includes a change of control clause. In the case of a change of control, the CFO is entitled to an amount equal to twelve times the monthly cash payment for a total of $24,000. As at July 31, 2025, the monthly cash payment under the agreement is $2,000 per month.

10. Flow-through Shares

A summary of changes in the Company's flow-through share premium liability is as follows:

For the years ended July 31,		2025		2024
Opening balance	$	118,855	$	332,329
Settlement of flow-through share premium liability		(932)		(198,733)
Reduction of flow-through share liability on recording of provision on indemnity		(117,923)		(14,741)
Ending balance	$	-	$	118,855

As at July 31, 2024, the Company fell short of its flow-through commitment by $39,309 for the flow-through shares issued in fiscal 2020. As a result of not meeting the commitment by the deadline, the flow-through premium liability has been reduced to $nil by recognizing other income of $14,741, and the Company recorded a provision of $21,030 towards the potential indemnification of tax liabilities to purchasers of the flow-through shares.

As at July 31, 2025, the Company fell short of its flow-through commitment by $264,802 for the flow-through shares issued in fiscal 2022. As a result of not meeting the commitment by the deadline, the flow-through premium liability has been reduced to $nil by recognizing other income of $117,923, and the Company recorded a provision of $141,669 towards the potential indemnification of tax liabilities to purchasers of the flow-through shares.

During the year ended July 31, 2025, the Company recorded Part XII.6 tax of $5,070 (2024 - $74,158). As at July 31, 2025, the Company had total Part XII.6 payable of $79,228 (2024 - $74,158).

11. Income Taxes

A reconciliation of income taxes at statutory tax rates with the reported taxes is as follows:

For the years ended July 31,		**2025**		2024
Loss for the year	**$**	**(917,776)**	$	(187,827)
Statutory tax rate		**27.00%**		27.00%
Expected recovery of income taxes		**(248,000)**		(51,000)
Non-deductible items		**110,000**		(42,000)
Change in unrecognized deductible temporary differences		**138,000**		93,000
Deferred income tax recovery	**$**	**-**	$	-

11. Income Taxes (continued)

The significant components of the Company's deferred tax assets that have not been included on the statements of financial position are as follows:

For the years ended July 31,		**2025**		2024
Non-capital losses available for future periods	**$**	**1,853,000**	$	1,736,000
Allowable capital losses		**32,000**		32,000
Share issuance costs and other		**22,000**		19,000
Exploration and evaluation assets		**257,000**		219,000
Unrecognized deferred tax assets	**$**	**2,164,000**	$	2,006,000

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

	July 31, 2025		July 31, 2024	
Temporary differences	**$**		$	
Share issuance costs and other	**81,000**	**2026 to 2029**	72,000	2025 to 2027
Exploration and evaluation assets	**952,000**	**No expiry**	812,000	No expiry
Allowable capital losses	**117,000**	**No expiry**	117,000	No expiry
Non-capital losses available for future periods	**6,862,000**	**2027 to 2045**	6,428,000	2027 to 2044

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. Financial Instruments and Risk Management

Financial Instruments

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
ii. Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
iii. Level 3 – Input for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at July 31, 2025 and 2024, the Company did not have any financial instruments recorded at fair value.

12. Financial Instruments and Risk Management (continued)

Risk Management

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a. Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. The Company is exposed to credit risk on its cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. This risk is minimized by holding cash in large Canadian financial institutions. The Company's amounts receivable relates to GST receivable and is not subject to credit risk.

b. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. At July 31, 2025, the Company had a cash balance of $1,288,467 (2024 - $117,760) to cover current liabilities of $467,941 (2024 - $602,166).

c. Interest rate risk

The Company may be exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations.

d. Commodity price risk

The Company's ability to raise capital to develop its mineral properties is subject to risks associated with fluctuations in the market prices of precious metals, graphite, base metals and rare earth elements.

e. Currency rate risk

The Company's functional currency is the Canadian dollar. There is no significant foreign exchange risk to the Company. The Company does not engage in any form of derivative or hedging instruments.

13. Segmented Operations

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral assets in Canada.

14. Subsequent Events

Subsequent to the year ended July 31, 2025:

- 500,000 stock options were exercised at $0.05 for gross proceeds of $25,000;
- 2,050,000 stock options with an exercise price of $0.125 expired unexercised; and
- The Company made cash payments of $20,000 to acquire fourteen mineral claims in Quebec.