Powermax Minerals Inc.

Financial Statements
For the years ended May 31, 2025 and 2024
(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Powermax Minerals Inc.

Opinion

We have audited the financial statements of Powermax Minerals Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2025 and May 31, 2024 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 to the financial statements which describes the material uncertainty 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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

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

- Management's Discussion and Analysis

Our opinion on the 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 identified above 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.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of 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 period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
September 10, 2025

POWERMAX MINERALS INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

		May 31, 2025		May 31, 2024
Assets				
Current				
Cash	$	214,548	$	474,190
Receivables		28,808		10,682
Prepaid expenses		20,000		5,000
Deferred financing costs		-		11,088
Total Assets	$	263,356	$	500,960
Liabilities and Shareholders' Equity				
Liabilities				
Current				
Accounts payable and accrued liabilities	$	135,512	$	35,889
Shareholders' Equity				
Share Capital (note 5)		683,585		429,239
Subscriptions Received (note 5)		-		253,300
Deficit		(555,741)		(217,468)
		127,844		465,071
Total Liabilities and Shareholders' Equity	$	263,356	$	500,960

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

"Michael Malana" (signed)	*"Afzaal Pirzada" (signed)*
Director	Director

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

POWERMAX MINERALS INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Year Ended May 31, 2025		Year Ended May 31, 2024
Operating expenses				
Accounting and audit fees	$	30,661	$	17,500
Consulting fees		787		14,002
Exploration and evaluation costs (note 4)		115,075		119,963
Insurance		5,000		-
Interest and bank charges		2,401		637
Investor relations		340		-
Legal fees		53,323		8,290
Management fees (note 7)		70,000		45,000
Office and administration		388		-
Rent and service agreement		18,000		1,500
Transfer agent, listing and filing fees		42,298		5,750
Net loss and comprehensive loss for the year	$	(338,273)	$	(212,642)
Basic and diluted loss per share	$	(0.02)	$	(0.02)
Weighted average number of common shares outstanding		17,162,668		12,640,301

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

POWERMAX MINERALS INC.
Statements of Changes in Shareholders' Equity
For the years ended May 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Common Shares					
	Number of shares	**Amount $**	**Subscriptions Received $**	**Reserves $**	**Deficit $**	**Total Shareholders' Equity $**
Balance, May 31, 2023	1,500,000	7,500	50,000	-	(4,826)	52,674
Private placements	14,450,000	422,500	(50,000)	-	-	372,500
Share issuance costs	-	(761)	-	-	-	(761)
Subscriptions received	-	-	253,300	-	-	253,300
Net loss for the year	-	-	-	-	(212,642)	(212,642)
Balance, May 31, 2024	15,950,000	429,239	253,300	-	(217,468)	465,071
Subscriptions received	-	-	100	-	-	100
Special warrants issued	-	-	(253,400)	253,400	-	-
Conversion of special warrants	2,534,000	253,400	-	(253,400)	-	-
Share issuance costs		(19,654)	-	-	-	(19,654)
Warrant exercise	103,000	20,600	-	-	-	20,600
Net loss for the year	-	-	-	-	(338,273)	(338,273)
Balance, May 31, 2025	18,587,000	683,585	-	-	(555,741)	127,844

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

POWERMAX MINERALS INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year Ended May 31, 2025		Year Ended May 31, 2024
Cash Provided by (Used In)				
Operating Activities				
Net loss for the year	$	(338,273)	$	(212,642)
Change in non-cash working capital balances:				
Receivables		(18,126)		(10,504)
Prepaid expenses		(15,000)		(5,000)
Deferred financing costs		11,088		(11,088)
Accounts payable and accrued liabilities		99,623		31,399
Cash Used in Operating Activities		(260,688)		(207,835)
Financing Activities				
Proceeds on issuance of shares		-		372,500
Share issuance costs		(19,654)		(761)
Subscriptions received		100		253,300
Proceeds on the exercise of warrants		20,600		-
Cash Provided by Financing Activities		1,046		625,039
(Outflow) Inflow of Cash		(259,642)		417,204
Cash, Beginning of Year		474,190		56,986
Cash, End of Year	$	214,548	$	474,190
Supplemental cash flow information				
Interest paid	$	-	$	-
Taxes paid	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Powermax Minerals Inc. (the "Company") was incorporated under the *BC Business Corporations Act* on June 7, 2022. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company's registered and records office address is 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 600 – 625 Howe Street, Vancouver, BC, V6C 2T6.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended May 31, 2025, the Company incurred a net loss of $338,273, compared to the year ended May 31, 2024 net loss of $212,642, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On September 23, 2024, the Company received conditional approval from the Canadian Securities Exchange (the "CSE") for the listing of its common shares on the CSE. On December 3, 2024 (the "Receipt Date"), the Company obtained a receipt for its final long form prospectus (the "Prospectus") from the British Columbia Securities Commission, Alberta Securities Commission, and Ontario Securities Commission. The Prospectus qualified the distribution of 2,534,000 common shares and 2,534,000 common share purchase warrants of the Company. On December 13, 2024 (the "Listing Date"), the Company's common shares began trading on the CSE under the symbol "PMAX".

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information
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(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on September 10, 2025.

3. MATERIAL ACCOUNTING POLICIES

(a) Mineral property

(i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

(ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management, are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

(iii) Impairment

Exploration and evaluation assets are regularly evaluated for recoverability or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, or indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

(iv) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(b) Common shares and unit offerings

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, with the residual amount of proceeds, if any, allocated to reserves for warrants.

(c) Financial instruments

(i) Financial assets

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The Company classifies cash as fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Financial instruments (Continued)

(ii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's accounts payable and accrued liabilities are measured at amortized cost.

(iii) Fair value hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instrument classified as Level 1 in the fair value hierarchy is cash. The carrying value of accounts payable and accrued liabilities approximates the fair value due to short-term maturity of the instrument.

(d) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(e) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Income tax (Continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss or give rise to equal taxable and deductible temporary differences.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(f) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management’s judgments include:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(g) New accounting standards and amendments not yet adopted

As at May 31, 2025, the following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the potential impact upon adoption.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

This new standard is effective for reporting periods beginning on or after January 1, 2027.

4. MINERAL PROPERTY

Cameron REE Property, British Columbia, Canada

On July 15, 2023, the Company entered into an option agreement with a private company whose principal is a director of the Company ("Optionor"), to acquire a 100% interest in the Cameron REE Property by paying consideration of $80,000 in cash, agreeing to incur at least $515,000 in expenditures on the Cameron REE Property, and issuing 200,000 Shares to the Optionor. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of $75,000 (completed);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must issue 100,000 shares to the Optionor and incur additional expenditures of $110,000;
- On or before the second anniversary of the Listing Date, the Company will issue 100,000 shares to the Optionor, pay $30,000 in cash and incur additional expenditures of $130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay $50,000 in cash and incur additional expenditures of $200,000.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY (Continued)

Cameron REE Property, British Columbia, Canada (Continued)

During the year ended May 31, 2025, the Company incurred $115,075 (2024 – $119,963) of exploration and evaluation costs on the Cameron REE Property:

	Year Ended	
	May 31, 2025	**May 31, 2024**
Field work and travel	$ 56,925	$ 52,732
Project management	2,400	2,700
Accommodations and food	-	11,376
Salaries and consultants	55,750	19,361
Rock assays	-	6,755
Soil analysis and reporting	-	27,039
Total exploration and evaluation costs	**$ 115,075**	**$ 119,963**

5. SHARE CAPITAL

(a) Authorized
Unlimited number of common shares without par value.

(b) Issued and outstanding

18,587,000 (2024 – 15,950,000) common shares without par value.

(i) On June 28, 2023, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $200,000 by the issuance of 10,000,000 common shares at a price of $0.02 per share.

(ii) On December 29, 2023, the Company completed a non-brokered private placement of 4,450,000 units of the Company at a purchase price of $0.05 per unit for aggregate gross proceeds of $222,500. Each unit consists of one common share and one transferable common share purchase warrant at a price of $0.10 per share for a period of 24 months from the date in which the Company's common shares begin trading on a Canadian stock exchange.

In connection with the private placements above, the Company incurred $761 in share issuance costs.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

(b) Issued and outstanding (Continued)

(iii) The Company closed the first tranche of the special warrant private placement on June 12, 2024 and issued an aggregate of 930,000 special warrants. The Company closed the second tranche of the special warrant private placement on September 16, 2024 and issued an aggregate of 1,604,000 special warrants. The Company received $253,400 in subscription funds related to this private placement. Each special warrant entitles the holder to acquire, without further payment, one unit. Each unit is comprised of one common share ("SW Share") and one common share purchase warrant ("SW Warrant") where each SW Warrant is exercisable into one common share (a "Warrant Share") at an exercise price of $0.20 for two (2) years from the Listing Date. On December 6, 2024, the date that is the third business day after the Receipt Date, 2,534,000 special warrants were converted into 2,534,000 SW shares and 2,534,000 SW warrants.

In connection with the private placement above, the Company incurred $19,654 in share issuance costs.

(c) Escrowed shares

On November 29, 2024, the Company entered into an escrow agreement (the "Escrow Agreement") whereby 1,500,000 common shares were placed in escrow. Under the Escrow Agreement, 10% of the escrowed common shares will be released 10 days following a public announcement of the results of the first phase exploration program described in the listing statement (the "Initial Release Date") and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release Date. As at May 31, 2025, 1,500,000 common shares were held in escrow (2024 – nil).

6. WARRANTS

During the years ended May 31, 2025 and 2024, the following were changes to the warrants of the Company:

	Number of Warrants	Exercise Price
Balance, May 31, 2023	-	$ -
Warrants issued	4,450,000	0.10
Balance, May 31, 2024	4,450,000	0.10
Conversion of special warrants	2,534,000	0.20
Exercised	(103,000)	0.20
Balance, May 31, 2025	**6,881,000**	**$0.14**

As at May 31, 2025, the following warrants were outstanding:

Expiry date	Number of Warrants	Exercise Price
December 13, 2026*	4,450,000	$0.10
December 13, 2026**	2,431,000	$0.20
	6,881,000	

* Subsequent to May 31, 2025, 75,000 warrants with an exercise price of $0.10 per warrant were exercised.
** Subsequent to May 31, 2025, 301,000 warrants with an exercise price of $0.20 per warrant were exercised.

7. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the year ended May 31, 2025, the Company paid $29,000 (2024 - $18,000) in management fees to the Chief Financial Officer ("CFO"); and paid $41,000 (2024 - $27,000) in management fees to the Chief Executive Officer ("CEO") of the Company.

As at May 31, 2025, the Company had prepaid management fees of $nil (2024 - $5,000) to the CFO and CEO. As at May 31, 2025 and 2024, the Company did not have any accounts payable and accrued liabilities to companies controlled by the key management personnel.

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at May 31, 2025, the Company has cash of $214,548 (2024 - $474,190) available to apply against short-term business requirements and current liabilities of $135,512 (2024 - $35,889). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of May 31, 2025. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

(Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares.

The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the year ended May 31, 2025.

10. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

11. INCOME TAXES

A reconciliation of the expected income tax recovery is as follows:

		Year ended May 31, 2025		Year ended May 31, 2024
Net loss for the year	$	(338,273)	$	(212,642)
Statutory tax rate		27%		27%
Expected income tax recovery at the statutory tax rate		(91,234)		(57,413)
Change in unrecognized deductible temporary differences		91,234		57,413
Income tax recovery	$	-	$	-

The Company recognizes tax benefits on losses or other deductible amounts generated where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

		Year ended May 31, 2025	Expiry Date		Year ended May 31, 2024	Expiry Date
Loss carry-forwards	$	324,900	2043 to 2045	$	97,700	2043 to 2044
Share issuance costs		16,200	2026 to 2029		600	2025 to 2028
Resource deductions		235,000	No expiry		120,000	No expiry
	$	576,100		$	218,300	

12. EVENTS AFTER THE REPORTING DATE

Subsequent to May 31, 2025:

a) Pursuant to an option agreement, the Company acquired an option (the “Option”) to acquire a 100% interest in and to the Atikokan rare earth elements property located in the Province of Ontario. The Option was acquired by way of assignment (the “Assignment”) from an arm’s length entity (the “Assignor”), that had previously entered into an option agreement with the underlying property optionors (the “Optionors”). In connection with the Option and Assignment, the Company issued an aggregate of 1,700,000 common shares of the Company at $0.35 per share to the Assignor and Optionors and paid $65,000 in cash under the Option.

b) A total of 75,000 warrants with an exercise price of $0.10 per warrant and 301,000 warrants with an exercise price of $0.20 per warrant were exercised (Note 6).