SENNEN

POTASH CORPORATION

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED JANUARY 31, 2025 AND 2024

To the Shareholders of Sennen Potash Corporation:

Opinion

We have audited the financial statements of Sennen Potash Corporation (the "Company"), which comprise the statements of financial position as at January 31, 2025 and January 31, 2024, and the statements of loss and comprehensive loss, changes in shareholders' deficit 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 January 31, 2025 and January 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 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 audits 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 in the financial statements, which indicates that the Company incurred ongoing losses. As stated in Note 1, these event or condition, 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 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis 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. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Jenny Lee.

Vancouver, British Columbia

May 30, 2025

MNP LLP

Chartered Professional Accountants

SENNEN POTASH CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS AT JANUARY 31,
(Expressed in Canadian Dollars)

	2025	2024
ASSETS		
Current		
Cash and equivalents	$ 10,381	$ 2,074
Taxes recoverable	338	10,513
	$ 10,719	$ 12,587
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4, 7)	$ 1,460,751	$ 1,335,145
Loans payable (Notes 6, 7)	641,541	557,164
	2,102,292	1,892,309
Shareholders' deficit		
Capital stock (Note 6)	29,871,051	29,871,051
Reserves (Note 6)	2,663,511	2,663,511
Deficit	(34,626,135)	(34,414,284)
	(2,091,573)	(1,879,722)
	$ 10,719	$ 12,587

Nature of operations and going concern (Note 1)
Subsequent event (Note 10)

Approved by the Board:

"Ryan Torres"	Director	"Usama Chaudhry"	Director
Ryan Torres		Usama Chaudhry	

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

SENNEN POTASH CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED JANUARY 31,
(Expressed in Canadian Dollars)

		2025		2024
EXPENSES				
Consulting fees	$	10,000	$	120,000
Directors' fees (Note 7)		60,000		364,000
Interest expenses (Note 6)		49,377		44,939
Management fees (Note 7)		-		3,000
Office and miscellaneous		1,826		1,852
Professional fees		82,140		25,000
Shareholder communications		-		671
Transfer agent and filing fees		8,515		2,315
Operating loss before other items	$	(211,858)		(561,777)
Other items				
Interest income		7		-
Gain on debt settlement		-		1,786
Total other items		7		1,786
Net loss and comprehensive loss for the year	$	(211,851)	$	(559,991)
Basic and diluted loss per common share	$	(0.02)	$	(0.05)
Weighted average number of common shares outstanding – basic and diluted		10,248,096		10,248,096

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

SENNEN POTASH CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31,
(Expressed in Canadian Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (211,851)	$ (559,991)
Item not involving cash:		
Accrued interest on loans payable	49,377	44,939
Gain on debt settlement	-	(1,786)
Changes in non-cash working capital items:		
Decrease (increase) in taxes recoverable	10,175	(6,365)
Increase in accounts payable and accrued liabilities	125,606	497,190
Net cash used in operating activities	(26,693)	(26,013)
CASH FLOW FROM FINANCING ACTIVITIES		
Return of share subscription	-	(475,193)
Proceeds from loans payable	35,000	25,000
Net cash provided by (used in) financing activities	35,000	(450,193)
Change in cash and equivalents during the year	8,307	(476,206)
Cash and equivalents, beginning of year	2,074	478,280
Cash and equivalents, end of year	$ 10,381	$ 2,074
Cash and equivalents consist of:		
Cash	$ 10,227	$ 1,920
Term deposits	154	154
	$ 10,381	$ 2,074

There was no non-cash investing activity for the years ended January 31, 2025 and 2024. There was no cash paid for interest and taxes for the years ended January 31, 2025 and 2024.

SENNEN POTASH CORPORATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Expressed in Canadian Dollars)

	Capital Stock				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance at January 31, 2023	10,248,096	$ 29,871,051	$ 2,663,511	$ (33,854,293)	$ (1,319,731)
Loss for the year	-	-	-	(559,991)	(559,991)
Balance at January 31, 2024	10,248,096	$ 29,871,051	$ 2,663,511	$ (34,414,284)	$ (1,879,722)
Loss for the year	-	-	-	(211,851)	(211,851)
Balance at January 31, 2025	10,248,096	$ 29,871,051	$ 2,663,511	$ (34,626,135)	$ (2,091,573)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sennen Potash Corporation (the "Company" or "Sennen") was incorporated on September 10, 1981 under the Business Corporations Act, British Columbia and is in the business of seeking and evaluating assets and businesses with a view of potentially acquiring them through a purchase transaction (a "Qualifying Transaction").

The Company's head office and principal address is 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6. The Company's registered and records office is 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

On December 30, 2022, the Company started trading under the symbol TSXV: SN. The Company has not maintained the requirements for the TSX Venture Tier 2 company. Therefore, effective March 29, 2023, the Company's listing was transferred to NEX under the trading symbol SN.H.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. The recent tariff imposed by the USA to Canada may also cause difficulties for the Company to raise funds. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements, including comparatives, have been prepared using accounting policies with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and are presented in Canadian dollars unless otherwise noted.

Approval of the financial statements

The financial statements of the Company for the year ended January 31, 2025 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2025.

Critical 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 at the date of the financial statements and the reported expenses during the period. Actual results could differ from these 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:

2. BASIS OF PRESENTATION (cont'd)

Critical accounting estimates and judgments (cont'd)

(i) The preparation of these financial statements requires management to make judgments regarding the ability of the Company to continue as a going concern as disclosed in Note 1.

3. MATERIAL ACCOUNTING POLICIES

Cash and equivalents

Cash and equivalents consist of cash and short-term investments with original maturity dates of less than 90 days or that are fully redeemable without penalty or loss of interest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be 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.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Capital stock

Common shares
Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

3. MATERIAL ACCOUNTING POLICIES (cont'd)

Capital stock (cont'd)

Equity units
Proceeds from unit placements are allocated between shares and warrants issued using the residual value method.

Share-based compensation

The Company's share purchase option plan allows directors, executive officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at the option's grant date, and the fair value of non-employee options is measured at the date when goods or services are received. The fair value of each tranche of options granted which do not vest immediately on grant, is recognized over the period during which each tranche of options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based compensation expense is credited to reserves. If the options are later exercised, their fair value is transferred from the reserve to capital stock.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive 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	**IFRS 9 classification**
Cash and equivalents	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

3. MATERIAL ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

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 transactions costs expensed in the statements of loss and comprehensive 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 the statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets 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 if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset's credit risk at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive 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

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

IFRS 7 *Financial Instruments: Disclosures* requires classification of fair value measurements 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 in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. MATERIAL ACCOUNTING POLICIES (cont'd)

IFRS accounting pronouncements

Change in IFRS effective for the first time

Certain pronouncements have been issued by the IASB that are effective for annual periods beginning on or after February 1, 2024.

In January 2020 and October 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook – Accounting in April 2020 and December 2022, respectively. The amendments clarify the requirements for classifying liabilities as either current or non-current. Both the January 2020 and October 2022 amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The Company has assessed the amendments and determined that there is no material impact on the accounting and presentation of the financial statements.

Future accounting pronouncements

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after February 1, 2025.

<u>Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)</u>
In May 2024, the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments provide clarification that a financial liability is derecognized on the 'settlement date', provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met, clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets, Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions, and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively.

<u>IFRS 18 Presentation and Disclosure in Financial Statements</u>
The IASB published IFRS 18 Presentation and Disclosure in Financial Statements in April 2024 and will replace IAS 1. This new standard will help companies to provide information about their financial performance that is useful to users of financial statements in assessing the prospects for future net cash inflows to the company and in assessing management's stewardship of the company's economic resources. It represents the completion of a major standard-setting project on the presentation of financial statements and, therefore, will have significant implications for many companies reporting under IFRS. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively for comparative periods.

The Company is currently assessing the impact of such pronouncements on the financial statements.

(Expressed in Canadian Dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2025	January 31, 2024
Accounts payable	$ 1,279,026	$ 572,422
Amounts due to related parties (Note 7)	6,225	737,723
Accrued liabilities	175,500	25,000
Total	$ 1,460,751	$ 1,335,145

5. CAPITAL STOCK AND RESERVES

a) Authorized and issued capital stock and reserves

As at January 31, 2025, the authorized capital stock of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value, all issued shares, consisting only of common shares are fully paid.

There were no shares issued during the years ended January 31, 2025 and 2024.

Reserves relate to stock options and compensatory warrants that have been issued by the Company.

b) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, consultants and employees to acquire up to 606,287 of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at January 31, 2025, the Company had no outstanding stock options.

c) Warrants

As at January 31, 2025, the Company had no outstanding warrants.

6. LOANS PAYABLE

On May 11, 2023, the Company received a loan of $20,000 from a company controlled by a former director. The loan bears 5% interest per annum, unsecured and payable within one year. As of January 31, 2025, this loan was not repaid.

On December 21, 2023, the Company received loans of $5,000 from non-related parties. The loans bear 10% interest per annum, unsecured and payable within one year. As of January 31, 2025 this loan was not repaid.

On May 17, 2024, the Company received loans of $35,000 from non-related parties. The loans bear 15% interest per annum, unsecured and payable on demand.

During the year ended January 31, 2025, the Company accrued $49,377 (2024 - $44,939) in interest.

(Expressed in Canadian Dollars)

6. LOANS PAYABLE (cont'd)

As of January 31, 2025, total loans outstanding were $489,000 (2024 - $454,000). $245,000 (2024 - $245,000) of the total loans are non-interest bearing, unsecured and due on demand. Accrued interest as of January 31, 2025 was $152,541 (2024 - $103,164). As at January 31, 2025, the balance outstanding including accrued interest was $641,541 (2024 - $557,164).

		January 31, 2025		January 31, 2024
Balance, beginning	$	557,164	$	487,225
Addition – interest bearing		35,000		25,000
Accrued interest		49,377		44,939
Balance, end	**$**	**641,541**	**$**	**557,164**

7. RELATED PARTY TRANSACTIONS

During the year ended January 31, 2025, the Company incurred management fees of $Nil (2024 - $3,000) to a company controlled by a former director of the Company.

During the year ended January 31, 2025, the Company incurred directors' fees of $60,000 (2024 - $364,000) to current and former directors of the Company.

As at January 31, 2025, accounts payable and accrued liabilities included $6,225 (2024 - $Nil) owing to companies controlled by directors of the Company and $787,723 (2024 - $737,723) owing to former directors and the companies controlled by former directors of the Company.

As at January 31, 2025, loans payable included $195,000 (2024 - $195,000) owing to a company controlled by a former director of the Company. Accrued interest for the loans payable as at January 31, 2025 was $1,721 (2024 - $998).

Key management personnel compensation (senior officers of the Company):

		2025		2024
Management fees	$	-	$	3,000
Directors' fees		60,000		364,000
	$	**60,000**	**$**	**367,000**

All transactions with related parties are within the normal course of business and are measured at the exchange amount as agreed to by the parties and approved by the Board of Directors.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of accounts payable and accrued liabilities and loans payable approximate their fair value because of the short-term nature of these instruments.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

The following is an analysis of the Company's financial instruments measured using the fair value hierarchy as at January 31, 2025 and 2024:

	As at January 31, 2025		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 10,381	$ -	$ -

	As at January 31, 2024		
	Level 1	**Level 2**	**Level 3**
Cash and equivalents	$ 2,074	$ -	$ -

Financial risk factors

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

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and equivalents. Management believes that the credit risk concentration with respect to financial instruments is remote because cash and equivalents are held with reputable Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at January 31, 2025, the Company had a cash balance of $10,381 to settle current liabilities of $2,102,292. To maintain liquidity, the Company is continually investigating financing opportunities. As disclosed in Note 1, there can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

   The Company has cash and equivalents balances. The Company's current policy is to invest excess cash in investment-grade short-term deposits certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

   The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily through the United States. Through this, the Company is exposed to foreign currency risk on fluctuations related to accounts payable and accrued liabilities that are denominated in US Dollars ("USD").

(Expressed in Canadian Dollars)

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

b) Foreign currency risk (cont'd)

Fluctuations in USD will, consequently, have an impact upon the Company's profitability and the value of the Company's liabilities. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company's mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Capital management

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

9. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying statements of loss and comprehensive loss is provided.

		2025		**2024**
Loss before income taxes	$	(211,851)	$	(559,991)
Combined federal and provincial statutory income tax rate		27%		27%
Income tax recovery at statutory rate	$	(57,000)	$	(151,000)
Change in unrecognized deferred tax assets and other		57,000		151,000
Total	$	-	$	-

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

Significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the statements of financial position are as follows:

		2025	**Expiry dates**		**2024**	**Expiry dates**
Non-capital losses	$	21,543,000	2034 to 2045	$	21,331,000	2034 to 2044
Exploration and evaluation assets		7,974,000	No expiry		7,974,000	No expiry

10. SUBSEQUENT EVENT

Subsequent to year end, the Company received a loan of $14,044 from a third party. The loan bears 15% interest per annum, unsecured and payable within one year.