NevAdo VDO Resources Corporation

FINANCIAL STATEMENTS

December 31, 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nevado Resources Corporation

Opinion

We have audited the accompanying financial statements of Nevado Resources Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, 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, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

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 ended. 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.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 Management's Discussion and Analysis prior to the date of this auditor's report. 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 Accounting Standards, 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 Michael MacLaren.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 25, 2025

NEVADO RESOURCES CORPORATION
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31,

	2024	2023
ASSETS		
Current		
Cash and cash equivalents	$ 502,684	$ 391,998
Receivables	24,978	24,866
Prepaid expenses	9,393	6,892
Short-term investments (Note 4)	-	244,648
	$ 537,055	$ 668,404
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	$ 168,963	$ 180,033
	168,963	180,033
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	14,270,833	14,270,833
Deficit	(13,902,741)	(13,782,462)
	368,092	488,371
	$ 537,055	$ 668,404

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

/s/ "Tyson King"
Tyson King, Director

/s/ "Doug Walden"
Doug Walden, Director

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

NEVADO RESOURCES CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the year ended December 31,

		2024		2023
Expenses				
Administrative costs	$	36,000	$	33,500
Filing and regulatory fees		8,918		9,079
Management fees (Note 6)		-		60,000
Office and miscellaneous		13,975		8,290
Professional fees (Note 6)		53,940		47,971
Rent		22,932		27,000
Shareholder communication		1,026		1,024
Transfer agent		6,884		6,627
Operating loss		(143,675)		(193,491)
Interest		18,044		1,225
Realized gain on short-term investments (Note 4)		5,650		-
Unrealized gain (loss) on short-term investments (Note 4)		(298)		298
		23,396		1,523
Loss and comprehensive loss for the year	$	(120,279)	$	(191,968)
Loss per common share – basic and diluted	$	(0.01)	$	(0.02)
Weighted average number of common shares outstanding – basic and diluted		12,219,065		12,219,065

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

NEVADO RESOURCES CORPORATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital			
	Number of shares	Amount	Deficit	Total
December 31, 2022	12,219,065	$ 14,270,833	$ (13,590,494)	$ 680,339
Loss for the year	-	-	(191,968)	(191,968)
December 31, 2023	12,219,065	14,270,833	(13,782,462)	488,371
Loss for the year	-	-	(120,279)	(120,279)
December 31, 2024	12,219,065	$ 14,270,833	$ (13,902,741)	$ 368,092

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

NEVADO RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the year ended December 31,

		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(120,279)	$	(191,968)
Adjust for items not involving cash:				
Realized gain on short-term investments		(5,650)		-
Unrealized loss (gain) on short-term investments		298		(298)
Changes in non-cash working capital items:				
Receivables		(112)		(6,337)
Prepaid expenses		(2,501)		(5,747)
Accounts payable and accrued liabilities		(11,070)		67,543
Net cash used in operating activities		(139,314)		(136,807)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of short-term investments		-		(244,350)
Proceeds from short-term investments		250,000		-
Net cash provided by (used in) investing activities		250,000		(244,350)
Change in cash and cash equivalents		110,686		(381,157)
Cash and cash equivalents, beginning of year		391,998		773,155
Cash and cash equivalents, end of year	$	502,684	$	391,998
Cash and cash equivalents:				
Cash	$	32,520	$	86,032
Cash equivalents		470,164		305,966
	$	502,684	$	391,998

Supplemental cash flow information (Note 7)

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

1. Nature of Operations and Going Concern

Nevado Resources Corporation (the “Company”) was incorporated on June 9, 2006 under the Canada Business Corporations Act and was continued into British Columbia under the Business Corporations Act (British Columbia) on July 5, 2019. The Company is listed on the NEX (separate board for companies that do not meet TSX Venture Exchange ("TSX-V") thresholds) under the trading symbol VDO.H. The Company is an exploration and evaluation stage corporation and is in the business of acquiring, exploring, and evaluating mineral properties. The Company’s head office is located at 1570 - 200 Burrard Street, Vancouver, BC, V6C 3L6. The Company’s registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, BC, V0N 1T0.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

The Company’s continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, and/or complete financings sufficient to meet current and future obligations. Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new debt or equity instruments, expenditures reductions and/or the introduction of joint venture partners and/or business combinations. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. The Company has previously raised capital through a private placement of its common shares and through the sale of marketable securities, with the result that the current working capital balance is an amount that management estimates is sufficient to further operations for the upcoming twelve months.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflicts in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and their effects on the Company’s business or results of operations or its ability to raise funds.

2. Basis of Presentation

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Approval of the financial statements

These financial statements were authorized by the Board of Directors of the Company on April 25, 2025.

Basis of measurement

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value as explained in the material accounting policies set out in Note 3. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Functional and presentation currency

These financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

Significant estimates and judgments

Many of the amounts included in these financial statements require management to make judgments and estimates. These judgments and estimates are continually evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in these financial statements include, but are not limited to, the following:

Going concern - The Company assesses whether its available funds are sufficient to continue operations for the ensuing twelve months. The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions 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.

3. Material Accounting Policy Information

Cash and cash equivalents

Cash and cash equivalents include deposits held with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of change in value.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company's financial assets consist of cash and cash equivalents and receivables, which are classified as amortized cost, and short-term investments, which are classified as FVTPL.

Impairment of financial assets

An expected credit loss ("ECL") impairment model applies to financial assets classified and measured at amortized cost and contract assets and debt investments classified and measured at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. Material Accounting Policy Information (cont'd…)

Financial instruments (cont'd…)

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified as amortized cost.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period the transaction occurs. The Company uses a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to share capital.

Loss per share

The calculation of loss per share ("EPS") is based on the weighted average number of shares outstanding for each year. The basic EPS is calculated by dividing the profit or loss attributable to the equity owners of the Company by the weighted average number of common shares outstanding at the end of the year.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the EPS. When the Company reports a loss, the diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of the outstanding warrants and share options.

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 party in making financial and operating decisions. 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.

3. Material Accounting Policy Information (cont'd…)

Income tax

Income tax on the profit or loss for the years presented comprises current and deferred income tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive loss ("OCI"), in which case it is recognized in OCI.

Current income 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 income tax payable with regard to previous years. Management periodically evaluates positions taken in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is calculated by providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The temporary difference is not provided for if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred income 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 financial position reporting date and whose implementation is expected over the period in which the deferred income tax is realized or recovered.

A deferred income 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 used.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. Material Accounting Policy Information (cont'd…)

New accounting policies

The following amendments to existing standards have been adopted by the Company commencing January 1, 2024:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The adoption of these amendments did not materially impact the financial statements of the Company.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2025 which have not been applied in preparing these financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the financial statements of the Company are the following:

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. The Company is currently assessing the impact of this new accounting standard on its financial statements.

4. Short-Term Investments

The Company holds treasury bonds with a fair value of $nil as of December 31, 2024 (2023 - $244,648) with varying maturities greater than three months but less than one year. The Company has recognized a fair value remeasurement loss of $298 for the year ended December 31, 2024 (2023 - gain of $298). During the year December 31, 2024, the treasury bonds matured, and the Company received proceeds of $250,000 (2023 - $nil) and recorded a realized gain on short-term investments of $5,650 (2023 - $nil).

5. Share Capital

Authorized share capital

Unlimited number of shares without par value.

Issued share capital

During the years ended December 31, 2024 and 2023, the Company did not issue any shares.

Stock options

The Company has an incentive stock option plan in accordance with the policies of the TSX-V, which provides that the Board of Directors may, from time to time, at its discretion, grant to directors, officers, employees and other key personnel non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the stock option plan does not exceed 10% of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares that may be allocated to directors, officers, employees and consultants of the Company and all other terms and conditions of the options, subject to the policies of the TSX-V.

During the years ended December 31, 2024 and 2023, no options were granted.

As at December 31, 2024 and 2023, no options were outstanding.

Warrants

During the years ended December 31, 2024 and 2023, no warrants were issued.

As at December 31, 2024 and 2023, no warrants were outstanding.

(Expressed in Canadian Dollars)

6. Related Party Transactions

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel:

		Year ended December 31, 2024		Year ended December 31, 2023
Management fees	$	-	$	60,000
Professional fees		36,000		33,500
	$	36,000	$	93,500

As at December 31, 2024, included in accounts payable and accrued liabilities was $153,150 (2023 - $162,600) owing to a director and an officer.

7. Supplemental Cash Flow Information

There were no significant non-cash transactions during the years ended December 31, 2024 and 2023.

8. Segmented Information

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets in Canada.

9. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

		2024		2023
Net loss before income taxes	$	(120,279)	$	(191,968)
Expected income tax recovery	$	(32,000)	$	(52,000)
Permanent differences and other		(1,000)		1,000
Adjustment to prior year provision versus statutory tax returns		-		4,000
Change in unrecognized deferred tax assets		33,000		47,000
Income tax expense (recovery)	$	-	$	-

(Expressed in Canadian Dollars)

9. Income Taxes (cont'd…)

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

		2024		2023
Capital losses	$	41,000	$	41,000
Exploration and evaluation assets		135,000		135,000
Non-capital losses		1,936,000		1,903,000
		2,112,000		2,079,000
Unrecognized deferred tax assets		(2,112,000)		(2,079,000)
Net deferred tax assets	$	-	$	-

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:

		2024	Expiry date range
Allowable capital losses	$	152,000	No expiry date
Exploration and evaluation assets	$	229,000	No expiry date
Non-capital losses	$	7,170,000	2029 to 2044

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

10. Financial Risk Management Objectives and Policies, and Financial Risks

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels are described in the following hierarchy:

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

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

10. Financial Risk Management Objectives and Policies, and Financial Risks (cont'd…)

Fair value hierarchy (cont'd…)

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

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values.

Financial risk management objectives and policies

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

The Company's main financial risks are detailed below.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its operations. The Company also ensures that it has sufficient working capital available to meet its day-to-day commitments. The Company's ability to continue a going concern is dependent on management's ability to raise capital through future equity on debt issuances. The Company estimates it has sufficient cash and cash equivalents as at December 31, 2024 to settle its current liabilities as they come due for the upcoming twelve months.

Credit risk

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and cash equivalents and receivables. Cash and cash equivalents is held with a significant Canadian chartered bank and an investment firm, which mitigates the credit risk. Receivables are due from government agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

10. Financial Risk Management Objectives and Policies, and Financial Risks (cont'd…)

Market risk (cont'd…)

Interest rate risk

The Company has cash and cash equivalents balances, and its current policy is to invest excess cash and cash equivalents in certificates of deposit or high-interest savings accounts with Canadian chartered banks. As at December 31, 2024, interest rate risk was nominal.

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Foreign currency risk

This risk relates to any changes in foreign currencies in which the Company transacts. The Company is currently not exposed to foreign currency exchange rate fluctuations as the Company only conducts business in Canada and in Canadian dollars.

11. Capital Management

The Company defines capital as being components of equity. The Company's capital management objectives are to ensure that it is able to pursue its operations, including the potential acquisition and evaluation and explorations assets. The Company manages its capital structure and makes adjustments to ensure that sufficient liquidity is available for operations. Accordingly, as necessary, it will attempt to obtain additional capital through equity markets. The Company is not subject to any externally imposed capital requirements. Changes in capital are described in the statements of changes in shareholders' equity. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the year ended December 31, 2024.