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KESSELRUN RESOURCES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED
OCTOBER 31, 2024 & 2023

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2024 & 2023

The accompanying unaudited condensed interim financial statements of Kesselrun Resources Ltd. (the "Company") for the three months ended October 31, 2024 and 2023, have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim statements by an entity's auditor. These unaudited condensed interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

KESSELRUN RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	Note	October 31, 2024	July 31, 2024
ASSETS			
Current			
Cash		$ 417,095	$ 566,631
Receivables		11,082	7,371
Prepaid expenses		22,160	27,443
Marketable securities	7	233,862	219,381
		684,199	820,826
Exploration and evaluation assets	6	10,610,763	10,610,763
Total assets		$ 11,294,962	$ 11,431,589
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable		$ 20,667	$ 2,081
Accrued liabilities		105,640	30,825
Due to related parties	9	1,488,418	1,524,472
Note payable	9	139,511	136,735
		1,754,236	1,694,113
Deferred tax liability		471,000	529,000
Total liabilities		2,225,236	2,223,113
Shareholders' equity			
Share capital	8	12,024,772	12,024,772
Share-based payment reserve	8	2,851,364	2,851,364
Deficit		(5,806,410)	(5,667,660)
Total shareholders' equity		9,069,726	9,208,476
Total liabilities and shareholders' equity		$ 11,294,962	$ 11,431,589

Nature and continuance of operations (Note 1)
Subsequent event (Note 6)

Approved on behalf of the Board of Directors:

Joao (John) da Costa
Director

Michael John Thompson
Director

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

(Expressed in Canadian Dollars)

	Note	Three months ended October 31, 2024	Three months ended October 31, 2023
Expenses			
Accounting and audit	9	$ 13,500	$ 15,366
Administration	9	12,000	12,000
Advertising and promotion		26,683	615
Consulting	9	103,500	19,635
Legal fees		-	2,646
Management fees	9	37,500	37,500
Office expenses		1,931	2,115
Regulatory fees		6,846	7,099
Travel, meals and entertainment		6,495	-
Total expenses		(208,455)	(96,976)
Other items			
Interest on notes payable	9	(2,776)	(2,562)
Realized loss on marketable securities	7	-	(2,320)
Unrealized gain (loss) on marketable securities	7	14,481	(53,141)
Net loss for the period before income taxes		(196,750)	(154,999)
Income tax recovery (expense) – deferred		58,000	7,000
Loss and comprehensive loss		$ (138,750)	$ (147,999)
Loss per share, basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		94,071,837	93,841,402

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

(Expressed in Canadian Dollars)

	Note	Number of Shares		Share Capital		Share-based Payment Reserve		Deficit		Total
Balance, July 31, 2023		93,671,837	$	12,014,772	$	2,851,364	$	(5,351,707)	$	9,514,429
Shares issued for property		400,000		10,000		-		-		10,000
Loss and comprehensive loss		-		-		-		(147,999)		(147,999)
Balance, October 31, 2023		94,071,837	$	12,024,772	$	2,851,364	$	(5,499,706)	$	9,376,430
Balance, July 31, 2024		94,071,837	$	12,024,772	$	2,851,364	$	(5,667,660)	$	9,208,476
Loss and comprehensive loss		-		-		-		(138,750)		(138,750)
Balance, October 31, 2024		94,071,837	$	12,024,772	$	2,851,364	$	(5,806,410)	$	9,069,726

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

(Expressed in Canadian Dollars)

	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023
Cash flows used in operating activities		
Loss for the period	$ (138,750)	$ (147,999)
Items not affecting cash used in operations		
Accrued interest	2,776	2,562
Income taxes	(58,000)	(7,000)
Unrealized (gain) loss on marketable securities	(14,481)	53,141
Realized loss on marketable securities	-	2,320
Changes in non-cash working capital items		
Receivables	(3,711)	(32,088)
Prepaid expenses	5,283	(1,444)
Accounts payable	18,586	21,117
Accrued liabilities	74,815	(11,050)
Due to related parties	(36,054)	83,846
Net cash used in operating activities	(149,536)	(33,707)
Cash flows provided by investing activities		
Exploration and evaluation assets	-	52,500
Cash received from sale of marketable securities	-	29,680
Net cash provided by investing activities	-	82,180
Changes in cash	(149,536)	48,473
Cash, beginning	566,631	437,645
Cash, ending	$ 417,079	$ 486,118
Non-cash transactions:		
Deferred exploration costs included in amounts due to related parties	$ -	$ 398,390
Shares issued on acquisition of exploration and evaluation assets	$ -	$ 10,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Kesselrun Resources Ltd. (the "Company"), was incorporated under the *Business Corporations Act* (British Columbia) on May 18, 2011. The Company is engaged in the acquisition, exploration, and development of mineral properties. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and on OTC QB.

These interim condensed 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. As at October 31, 2024, the Company has not advanced its mineral properties to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. As at October 31, 2024, the Company had $417,095 in cash and accumulated a deficit of $5,806,410, in addition the Company held 1,535,000 common shares of First Mining Finance Corp. ("First Mining") valued at $222,575 and 14,471 shares of Nexgold Mining (formerly, Treasury Metals Inc. ("C-NEXG") valued at $11,287 (Note 7), which resulted in working capital deficit of $1,070,037. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

The Company's head office and principal address is 278 Bay Street, Suite 102, Thunder Bay, ON P7B 1R8.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim financial statements were authorized for issue on December 23, 2024, by the directors of the Company.

a) Statement of Compliance and Basis of Presentation

The interim condensed financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The interim condensed financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the interim condensed financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's audited annual financial statements for the year ended July 31, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

All significant accounting policies adopted by the Company have been described in the notes to the audited financial statements for the year ended July 31, 2024.

Accounting standards issued but not yet effective

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

4. FINANCIAL INSTRUMENTS AND RISKS

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 at the fair value hierarchy are:

- Level 1 - quoted prices in active markets for identical assets and liabilities.
- Level 2 - observable inputs other than quoted prices in active markets for identical assets and liabilities.
- Level 3 - unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

(Expressed in Canadian Dollars)

The Company has classified its cash and marketable securities as measured at fair value in the statement of financial position, using level 1 inputs.

Categories of financial instruments

As at		**October 31, 2024**		**July 31, 2024**
Financial assets:				
FVTPL				
Cash	$	417,095	$	566,631
Marketable securities	$	233,862	$	219,381
Financial liabilities:				
Amortized cost				
Accounts payable	$	20,667	$	2,081
Due to related parties	$	1,488,418	$	1,524,472
Note payable	$	139,511	$	136,735

Assets and liabilities measured at fair value on a recurring basis as at October 31, 2024 and July 31, 2024 were as follows:

As at October 31, 2024		**Level 1**		**Level 2**		**Level 3**		**Total**
Cash	$	417,095	$	-	$	-	$	417,095
Marketable securities		233,862		-		-		233,862
	$	650,957	$	-	$	-	$	650,957

As at July 31, 2024		**Level 1**		**Level 2**		**Level 3**		**Total**
Cash	$	566,631	$	-	$	-	$	566,631
Marketable securities		219,381		-		-		219,381
	$	786,012	$	-	$	-	$	786,012

Accounts payable, due to related parties, and note payable approximate their fair value due to the short-term nature of these instruments.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:
Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution. As such, the Company's credit risk exposure is minimal.

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 equity prices.

i. Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

(Expressed in Canadian Dollars)

ii. *Currency risk:*
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency-denominated financial assets, and its foreign currency liabilities at October 31, 2024, comprised 0.12% of the total current liabilities (July 31, 2024 – 0.13%).

iii. *Equity price risk:*
Equity price risk is the risk that the fair value of equity/securities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investments in marketable securities.

Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As of October 31, 2024, the Company had current assets of $684,199 to settle current liabilities of $1,754,236, which had contractual maturities of less than 30 days and were subject to normal trade terms. Therefore, liquidity risk is assessed as high.

5. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at October 31, 2024, the Company does not have any debt that is subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended October 31, 2024.

6. EXPLORATION AND EVALUATION ASSETS

As of October 31, 2024 and July 31, 2024, the Company's interest in exploration and evaluation assets consisted of the Bluffpoint Property and the Huronian Property.

During the three-month period ended October 31, 2024, the Company did not have any expenditures associated with its exploration and evaluation assets. The costs incurred on the Company's exploration and evaluation properties during the period ended October 31, 2024, are summarized as follows:

Exploration and evaluation assets as at October 31, 2024	**Bluffpoint**	**Huronian**	**Total**
Acquisition costs	$ 267,320	$ 1,084,966	$ 1,352,286
Deferred exploration costs	929,464	8,329,013	9,258,477
Total exploration and evaluation assets, October 31, 2024	$ 1,196,784	$ 9,413,979	$ 10,610,763

(Expressed in Canadian Dollars)

The costs incurred on the Company's exploration and evaluation properties during the year ended July 31, 2024 are summarized as follows:

Exploration and evaluation assets as at July 31, 2024	**Bluffpoint**	**Huronian**	**Total**
Acquisition costs, July 31, 2023	$ 249,820	$ 1,084,966	$ 1,334,786
Additions during the period: shares	10,000	-	10,000
Additions during the period: cash	7,500	-	7,500
Acquisition costs, July 31, 2024	267,320	1,084,966	1,352,286
Deferred exploration costs, July 31, 2023	728,157	8,153,418	8,881,575
Additions:			
Assaying	3,714	7,613	11,327
Camp and travel	24,126	15,390	39,516
Equipment use/rental	24,292	9,750	34,042
Geology	349,175	313,680	662,855
Government grants received	(200,000)	(170,838)	(370,838)
Deferred exploration costs, July 31, 2024	929,464	8,329,013	9,258,477
Total exploration and evaluation assets, July 31, 2024	$ 1,196,784	$ 9,413,979	$ 10,610,763

Bluffpoint Project

The Company holds a 100% interest in mining claims located in Bluffpoint Lake Township, with portions extending into the townships of Lawrence Lake, Napanee Lake and Barker Bay in the Kenora Mining Division of Northwestern Ontario (the "Bluffpoint Project").

The Bluffpoint Project is subject to a 2% Net Smelter Royalty ("NSR"), of which 1% may be purchased by the Company at any time for $1,000,000. If the optionors decide to dispose of their remaining 1% NSR, the Company has the first right of refusal to acquire the remaining 1% NSR on the same terms and conditions that the optionors propose to dispose of their NSR.

During the year ended July 31, 2024, the Company entered into definitive agreements (the "Agreements") to acquire a 100% interest in seven contiguous mineral claims making up the Pine Centre property (the "Pine Centre Claims"). The Pine Centre Claims are approximately 190 hectares in size and are fully surrounded by the Bluffpoint Property claims. The Agreements were subject to receipt of regulatory approvals, which were received on September 22, 2023.

To acquire the Pine Centre Claims the Company paid $7,500 in cash and issued 400,000 common shares of the Company valued at $10,000. In addition, the vendors retain a 1.0% NSR royalty, each, with the Company having the right to repurchase 0.5% of each NSR royalty for $500,000.

Huronian Gold Project

The Company holds a 100% interest in the Huronian Gold Project ("Huronian Project") located in Moss Township, Thunder Bay Mining Division, Ontario.

The Huronian Project is subject to NSR ranging from 2% to 2.5% of which the Company retains a right to purchase up to 50% by paying up to $2,000,000. In addition, the Company retains a right of first refusal to acquire the NSR at the same terms and prices that would be set out in any arm's length third-party offer.

The Company holds a mining claim adjacent to the Huronian Project. The claim is subject to a 2% NSR, of which 1% may be purchased by the Company at any time for the payment of $1,000,000.

Subsequent to October 31, 2024, the Company received a $60,000 grant from the Ontario Junior Exploration Program ("OJEP"), which was offset against the costs the Company spent on its exploration activities on the Huronian Project.

(Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES

The Company's marketable securities consist of 1,535,000 shares of First Mining Gold Corp. listed on Toronto Stock Exchange under the symbol "FF" (the "FF Shares"), and 14,471 shares of Nexgold Mining Corp. listed on Toronto Stock Exchange under the symbol "C-NEXG" (the "NEXG Shares").

During the three months ended October 31, 2024 the Company did not sell any of it marketable securities. During the comparative three months ended October 31, 2023, the Company sold 200,000 FF Shares for net cash proceeds of $29,680. The Company realized a loss of $2,320 on the sale of FF Shares.

At October 31, 2024, the investment in FF Shares was valued at $222,575 (July 31, 2024 - $207,225), and the investment in NEXG Shares was valued at $11,287 (July 31, 2024 - $12,156). The fair market value of the marketable securities was calculated based on the quoted market price of the shares.

The Company records its marketable securities as FVTPL. During the three months ended October 31, 2024, the Company recorded a gain of $14,481 (October 31, 2023 - $53,141 loss) on the revaluation of its marketable securities to their fair market value of $233,862 (October 31, 2023 - $207,654).

8. SHARE CAPITAL

Authorized share capital
The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Share issuances
During the three months ended October 31, 2024, the Company did not issue any shares of its common stock.

During the year ended July 31, 2024, the Company issued 400,000 common shares to acquire 100% interest in Pine Centre Claims with fair value of $10,000 (Note 7).

Stock options
The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may, from time to time, at their discretion and in accordance with TSX-V requirements, grant stock options to directors, officers and technical consultants for up to 10% of the issued and outstanding common shares of the Company. Such options are exercisable for a period of up to five years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors.

The Company did not grant any stock options during the three months ended October 31, 2024, and the year ended July 31, 2024. The following table provides the detail of stock options that were outstanding and exercisable at October 31, 2024:

Number of options outstanding and exercisable	Exercise price	Expiry date	Remaining life (years)
400,000	$0.05	January 16, 2025	0.21
425,000	$0.30	August 10, 2025	0.78
1,000,000	$0.40	January 6, 2026	1.18
800,000	$0.40	July 14, 2026	1.70
550,000	$0.25	December 21, 2026	2.14
3,175,000	$0.32		1.30

Share-purchase warrants
As at October 31, 2024 and July 31, 2024, the Company did not have any share-purchase warrants outstanding.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

The remuneration of related parties including directors and key management was as follows:

	Three months ended October 31, 2024		2023	
Exploration and evaluation expenditures incurred to a private company controlled by certain directors and officers of the Company (Note 7)	$	-	$	398,390
Accounting, consulting, and administrative fees incurred to a private company controlled by an officer of the Company	$	39,000	$	37,500
Management fees incurred to a private company controlled by an officer of the Company	$	37,500	$	37,500

The balances due to related parties consist of amounts owed directly to the officers and directors of the Company and to private companies controlled by the officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand. At October 31, 2024, the balance payable to related parties was $1,488,418 (July 31, 2024 - $1,524,472).

In addition, at October 31, 2024, the Company was indebted to a private company controlled by certain directors and officers in the amount of $139,511 (July 31, 2024 - $136,735) under the loan payable. The loan bears interest at 8% per annum compounded monthly, is unsecured and due on demand. During the three months ended October 31, 2024, the Company recorded interest expense of $2,776 (October 31, 2023 - $2,562).