MUZHU MINING LTD.

Condensed Consolidated Interim Financial Statements

Three Months Ended June 30, 2025 and 2024

Unaudited- Expressed in Canadian dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

MUZHU MINING LTD.
Unaudited Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

	As at June 30, 2025	As at March 31, 2025
	$	$
ASSETS		
Current assets		
Cash	3,076	36,720
Accounts receivable	17,468	9,085
Prepaid expenses (Note 9)	52,130	19,585
	72,674	65,390
Deposit (Note 9)	152,320	158,480
Equipment (Note 6)	7,529	9,663
Exploration and evaluation assets (Note 7)	1,064,297	996,535
	1,296,820	**1,230,068**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	573,274	553,415
Loan payable (Note 5)	5,000	5,000
Flow-through share premium liability (Note 8)	7,230	21,530
	585,504	579,945
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	2,916,446	2,784,543
Reserves (Note 4)	957,136	839,785
Subscriptions received in advance (Note 4)	48,125	14,000
Deficit	(3,210,391)	(2,988,205)
	711,316	650,123
	1,296,820	**1,230,068**

Nature of business and going concern (Note 1)

Approved and authorized for issue on behalf of the Board on August 29, 2025:

"Dwayne Yaretz"
Director

"Jim Stanley"
Director

- See accompanying notes -

MUZHU MINING LTD.
Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

	2025	2024
	$	$
Advertising and promotion	3,399	2,500
Consulting and directors' fees (Note 5)	55,682	34,218
Depreciation (Note 6)	2,134	2,107
Filing fees and transfer agent	4,802	25,309
Foreign exchange gain	(6,251)	(1,036)
Insurance	3,231	4,030
Office and general	7,322	3,912
Professional fees	3,332	34,717
Property investigation costs (Note 9)	25,960	1,890
Share-based compensation (Notes 4 & 5)	108,795	55,055
Travel, meals, and entertainment	7,122	8,111
Wages and benefits (Note 5)	20,958	23,826
Loss and comprehensive loss	**(236,486)**	**(194,639)**
Flow-through premium recovery (Note 8)	14,300	-
Loss and comprehensive loss	**(222,186)**	**(194,639)**
Loss per share – basic and diluted	**(0.00)**	**(0.00)**
Weighted average number of common shares outstanding – basic and diluted	**43,373,832**	**39,723,159**

- See accompanying notes -

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)

For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

	Common shares		Subscription received in advance	Reserves	Deficit	Total
	#	$	$	$	$	$
Balance, March 31, 2024	**35,825,549**	**2,489,248**	**-**	**653,486**	**(2,265,648)**	**877,086**
Shares issued under private placement	2,707,500	135,375	-	-	-	135,375
Relative fair value of warrants	-	(36,375)	-	36,375	-	-
Share issue costs	-	(4,440)	-	-	-	(4,440)
Share-based compensation	-	-	-	55,055	-	55,055
Loss for the period	-	-	-	-	(194,639)	(194,639)
Balance, June 30, 2024	**38,533,049**	**2,583,808**	**-**	**744,916**	**(2,460,287)**	**868,437**
Balance, March 31, 2025	**42,497,679**	**2,784,543**	**14,000**	**839,785**	**(2,988,205)**	**650,123**
Shares issued under private placement	840,000	84,000	-	-	-	84,000
Relative fair value of warrants	-	(25,000)	-	25,000	-	-
Share issue costs	-	(7,041)	-	-	-	(7,041)
Share subscriptions received in advance	-	-	34,125	-	-	34,125
Exercise of options	150,000	7,500	-	-	-	7,500
Fair value of options	-	5,696	-	(5,696)	-	-
Exercise of warrants	800,000	56,000	-	-	-	56,000
Fair value of warrants	-	10,748	-	(10,748)	-	-
Share-based compensation	-	-	-	108,795	-	108,795
Loss for the period	-	-	-	-	(222,186)	(222,186)
Balance, June 30, 2025	**44,287,679**	**2,916,446**	**48,125**	**957,136**	**(3,210,391)**	**711,316**

- See accompanying notes -

MUZHU MINING LTD.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

	2025	2024
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(222,186)	(194,639)
Items not affecting cash:		
Depreciation	2,134	2,107
Share-based compensation	108,795	55,055
Flow-through premium recovery	(14,300)	-
Net Change in non-cash working capital balances related to operations:		
Accounts receivable	(2,223)	146,548
Prepaid expenses	(32,545)	(1,085)
Accounts payable and accrued liabilities	12,818	43,540
	(147,507)	51,526
Investing activities		
Exploration and evaluation asset additions	(67,762)	-
Financing activities		
Shares issued for cash	84,000	135,375
Share issue recovery / (costs)	-	(4,440)
Subscription received in advance	34,125	-
Exercise of options	7,500	-
Exercise of warrants	56,000	-
	181,625	130,935
Net change in cash	(33,644)	182,461
Cash, beginning of period	36,720	77,042
Cash, end of period	**3,076**	**259,503**
Supplemental cash flow info:		
Non-cash transactions	$	$
Exploration and evaluation assets included in accounts payable	-	-
Share issue costs in accounts payable	7,041	-
Fair value of finders' warrants	-	36,375

\- See accompanying notes -

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Muzhu Mining Ltd. ("MUZHU" or the "Company") was incorporated under the Business Corporations Act of British Columbia on January 24, 2018. The Company's common shares are listed for trading on the Canadian Securities Exchange. The address of the Company's head office is 240 Sherbrooke Street, Suite 3206, New Westminster, BC, V3L 0A4, Canada and the registered office is 1125 Howe Street, Suite 1400, Vancouver, BC, V6Z 2K8, Canada.

The Company's objective is to seek opportunities in the exploration, development and mining of precious metals properties domestically and/or internationally and currently has exploration property agreements in Canada and China.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at June 30, 2025, the Company had not yet generated revenues and had an accumulated deficit of $3,210,391. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern. Such adjustments could be material.

Recent global issues, including the ongoing COVID-19 pandemic and geo-political conflicts have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

NOTE 2 – BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards using accounting policies consistent with the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Company's and its subsidiary's functional currency.

The board of directors approved these financial statements on August 29, 2025.

a) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiary. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Note 2 – BASIS OF PRESENTATION (continued)

(a) Principles of consolidation (continued)

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Luoyang Sow International Mining Company Ltd.	China	100%	Exploration in China

(b) Significant accounting policies

These condensed consolidated interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for year ended March 31, 2025 which in Note 2 detail all significant accounting policies adopted by the Company. The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements.

(c) Significant accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the consolidated financial statements.

The Company's significant estimates and judgements are as follows:

- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities.
- Going concern - significant judgments are used in the Company's assessment of its ability to continue as a going concern as described in Note 1.
- Valuation and recoverability of exploration and evaluation assets. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.
- Valuation of share-based payments – the Company records all share-based payments and warrants using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options, warrants and finders' warrants. The main factor affecting the estimates is the stock price expected volatility used.

NOTE 3 – ACCOUNTING STANDARDS ISSUED

New accounting standards adopted

IAS 1 – Presentation of Financial Statements (IAS I)

On January 23, 2020, the IASB issued an amendment to IAS 1, Presentation of Financial Statements, providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments have not had an impact on the classification of the Company's liabilities.

NOTE 3 – ACCOUNTING STANDARDS ISSUED (continued)

New accounting standards not yet adopted

The IASB issued a number of standards and interpretations that have not been applied in preparing these financial statements as their effective date falls within periods beginning subsequent to the current reporting period. Set out below are only those standards that may have a material impact on the financial statements in future periods. The Company is currently assessing the financial impact of these future policies on its financial statements.

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other 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 may change what an entity reports as its ‘operating profit or loss’. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

NOTE 4 – SHARE CAPITAL

a) Common shares

The Company’s authorized capital consists of an unlimited number of common shares without par value.

Fiscal 2026 Transactions:

(i) On June 3, 2025, the Company closed a non-brokered private placement of 840,000 non flow-through units at $0.10 per unit for gross proceeds of $84,000. Each unit consists of one non flow-through common share and one warrant entitling the holder to purchase one common share at $0.14 per share for the first year and $0.20 per share for the second year after issuance date. The Company incurred $7,041 of share issue costs associated with the private placement.

(ii) During the three months ended June 30, 2025, the Company issued 150,000 common shares upon the exercise of stock options at a price of $0.05 raising gross proceeds of $7,500.

(iii) During the three months ended June 30, 2025, the Company issued 800,000 common shares upon the exercise of warrants at a price of $0.07 raising gross proceeds of $56,000. An additional of 687,500 common shares will be issued subsequent to the three months ended June 30, 2025 for warrants exercised at a price of $0.07 raising gross proceeds of $48,125 which was recorded as subscription received in advance as at June 30, 2025.

Fiscal 2025 Transactions:

(iv) On May 21, 2024, the Company completed a non-brokered private placement by issuing 2,707,500 units at $0.05 per unit for gross proceeds of $135,375. Each unit consists of one common share and one warrant. Each warrant is exercisable for a period of one year at $0.07 per share. The Company incurred $4,440 of share issue costs associated with the private placement.

(v) On December 30, 2024, the Company completed a non-brokered private placement by issuing 2,223,000 flow-through units at $0.09 per unit for gross proceeds of $200,070. Each unit consists of one flow-through common share and one warrant. Each warrant is exercisable for a period of three years at $0.12 per share. The amount of the flow-through share liability associated with the flow-through shares was determined to be $22,230. In connection with the private placement, the Company issued 155,610 brokers’ warrants, with each warrant being exercisable for a period of 3 years at $0.12 per share. The Company incurred $15,005 of share issue costs associated with the private placement.

(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)

a) Common shares (continued)

Fiscal 2025 Transactions (continued):

(vi) On January 8, 2025, the Company closed a non-brokered private placement of 1,741,630 non flow-through units at $0.08 per unit for gross proceeds of $139,330. Each unit consists of one non flow-through common share and one warrant entitling the holder to purchase one common share at $0.12 per share for a period of one year after issuance date. The Company incurred $6,561 of share issue costs associated with the private placement.

b) Stock options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant. The options vest immediately unless otherwise specified. The maximum number of options granted may not exceed 10% of the issued and outstanding shares.

The following table summarizes the stock option activity for the three months ended June 30, 2025 and the year ended March 31, 2025:

March 31, 2025	Granted	Exercised	Expired Unexercised	Cancelled	June 30, 2025	Exercise Price	Expiry Date
400,000	-	-	-	-	400,000	$0.14	January 5, 2027
250,000	-	-	-	-	250,000	$0.14	January 5, 2027
250,000	-	-	-	(150,000)	100,000	$0.14	February 10, 2027
850,000	-	-	-	(300,000)	550,000	$0.10	February 22, 2028
-	1,850,000	-	-	-	1,850,000	$0.10	June 26, 2028
1,450,000	-	(150,000)	-	(200,000)	1,100,000	$0.05	April 4, 2029
3,200,000	**1,850,000**	**(150,000)**	**-**	**(650,000)**	**4,250,000**	**$0.09**	

March 31, 2024	Granted	Exercised	Expired Unexercised	Cancelled	March 31, 2025	Exercise Price	Expiry Date
400,000	-	-	-	-	400,000	$0.14	January 5, 2027
250,000	-	-	-	-	250,000	$0.14	January 5, 2027
250,000	-	-	-	-	250,000	$0.14	February 10, 2027
850,000	-	-	-	-	850,000	$0.10	February 22, 2028
-	1,450,000	-	-	-	1,450,000	$0.05	April 4, 2029
1,750,000	**1,450,000**	**-**	**-**	**-**	**3,200,000**	**$0.09**	

(i) On April 4, 2024, the Company granted 1,450,000 stock options to directors, officers, and consultants of the Company at an exercise price of $0.05. The options expire on April 4, 2029 and vested immediately. A fair value of $55,055 was determined using the Black-Scholes option pricing model.

(ii) On June 26, 2025, the Company granted 1,850,000 stock options to directors, officers, and consultants of the Company at an exercise price of $0.10. The options expire on June 26, 2028 and vested immediately. A fair value of $108,795 was determined using the Black-Scholes option pricing model.

The following weighted average assumptions were used for calculating the share-based compensation for the three months ended June 30, 2025 and 2024:

	2025	2024
Stock price volatility	100.00%	100.00%
Risk-free interest rate	2.64%	3.58%
Expected life of options	3.00 years	5.00 years
Expected dividend yield	0.00%	0.00%

(Expressed in Canadian dollars)

NOTE 4 – SHARE CAPITAL (continued)

b) Warrants

Details of warrants activity for the three months ended June 30, 2025 and the year ended March 31, 2025 are as follows:

March 31, 2025	Issued	Exercised	Expired unexercised	June 30, 2025	Exercise Price	Expiry Date
3,433,670	-	-	(3,433,670)	-	$0.12	May 10, 2025
2,707,500	-	(1,487,500)	(1,220,000)	-	$0.07	May 21, 2025[1]
1,741,630	-	-	-	1,741,630	$0.12	January 8, 2026
2,378,610	-	-	-	2,378,610	$0.12	December 30, 2027
-	840,000	-	-	840,000	$0.14	June 3, 2027
10,261,410	**840,000**	**(1,487,500)**	**(4,653,670)**	**4,960,240**	**$0.12**	

[1]687,500 warrants exercised for shares issued subsequently (Note 4a)

March 31, 2024	Issued	Exercised	Expired unexercised	March 31, 2025	Exercise Price	Expiry Date
1,450,000	-	-	(1,450,000)	-	$0.12	December 19, 2024
3,088,750	-	-	(3,088,750)	-	$0.12	March 24, 2025
3,433,670	-	-	-	3,433,670	$0.12	May 10, 2025
-	2,707,500	-	-	2,707,500	$0.07	May 21, 2025
-	1,741,630	-	-	1,741,630	$0.12	January 8, 2026
-	2,378,610	-	-	2,378,610	$0.12	December 30, 2027
7,972,420	**6,827,740**	**-**	**(4,538,750)**	**10,261,410**	**$0.11**	

The following weighted average assumptions were used in calculating the fair value of warrants issued in the three months ended June 30, 2025 and and 2024:

	2025	2024
Stock price volatility	100.00%	100.00%
Risk-free interest rate	2.61%	4.21%
Expected life of warrants	2.00 years	1.00 years
Expected dividend yield	0.00%	0.00%

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

As of June 30, 2025, the Company has a balance due to directors and officers of $168,154 (March 31, 2025 - $157,126).

On August 13, 2024, the Company received a $5,000 non-interest bearing, on-demand loan from a director and officer of the Company.

Key management personnel compensation

Key management personnel consist of officers and directors, former officers and former directors of the Company. Remuneration of key management personnel was $31,104 for the three months ended June 30, 2025 (2024 - $31,278).

During the three months ended June 30, 2025, there were 850,000 options issued to key management and directors resulting in a non-cash share-based compensation expense of $49,987 (2024: $32,274).

(Expressed in Canadian dollars)

NOTE 6 – EQUIPMENT

During the year ended March 31, 2024, the Company purchased a vehicle. The vehicle was purchased for $24,552, with depreciation expense of $2,134 (2024: $2,107) incurred during the three months ended June 31, 2025. The carrying value of the vehicle as at June 30, 2025 was $7,529 (March 31, 2025 - $9,663).

NOTE 7 - EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation properties were as follows:

	Sleeping Giant South Property	Total
Balance, March 31, 2024	**776,134**	**776,134**
Geology	223,512	223,512
Resource tax credit received	(3,111)	(3,111)
Balance, March 31, 2025	**$ 996,535**	**$ 996,535**
Geophysics	58,089	58,089
Environmental and permitting	9,673	9,673
Balance, June 30, 2025	**$1,064,297**	**$1,064,297**

LMM Property

Muzhu Mining Ltd. has formed a strategic alliance through its wholly owned subsidiary, Luoyang Sow International Mining Company Ltd., with Luoning County Muzhu Mountain Lead and Silver Mine Company Ltd., within the Luoning county, Henan province of China, which owns a property contiguous to the north of Muzhu Mining's option agreement with the XWG silver property. The parties agreed to explore and develop the Niujuangou Mine area. During the year ended March 31, 2024, the Company paid 800,000 RMB to a consulting company for property investigative work on the LMM Property, however the work was not completed and a total of 1,000,000 RMB ($187,700) was refunded to the Company in the year ended March 31, 2025.

XWG Property

On November 22, 2021, the Company entered into, renewed on November 23, 2022, and amended on November 21, 2023, an option agreement with Lingbao Yida Mining Co., Ltd., ("Lingbao") a private Chinese company, to acquire an undivided 60% interest in the Xia Wa Gou (XWG) mining property, located in the Province of Henan, People's Republic of China.

Pursuant to the terms of the amended option agreement, the Company is required to:

(a) incur minimum expenditures on the property of not less than an aggregate of $3,000,000 according to the following schedule:

- (i) $500,000 on or before November 22, 2024 (the Company is in the process of renegotiating the minimum expenditures requirements with Lingbao as at March 31, 2025);
- (ii) an additional $1,000,000 on or before November 22, 2025;
- (iii) an additional $1,500,000 on or before November 22, 2026.

(b) issuing and delivering to Lingbao an aggregate of 3,750,000 common shares according to the following schedule:

- (iv) 1,250,000 common shares on or before to February 19, 2024 (the Company is in the process of renegotiating the share issuance terms with Lingbao as at March 31, 2025);
- (v) 1,000,000 common shares on or before February 20, 2025;
- (vi) 1,500,000 common shares on or before November 22, 2026.

(Expressed in Canadian dollars)

NOTE 7 – EXPLORATION AND EVALUATION ASSETS (continued)

XWG Property (continued)

Upon earning 60% in the XWG property, the Company can elect to earn in an additional 20% interest upon completion of a valuation report in exchange for cash and/or shares.

Sleeping Giant South Property

On November 10, 2020, the Company entered into a purchase agreement with North American Exploration inc. and Silverwater Capital Corp., private Canadian companies, to acquire a 100% interest in the Sleeping Giant South Property (the "Property"), in the Quevillon Mining Camp in Quebec. The Company has completed the purchase agreement in fiscal 2021.

Pursuant to the terms of the purchase agreement, the Company is required to:

(i) Make a cash payment of $7,888 on or before December 31, 2020 (paid);
(ii) Issue 3,500,000 common shares of the Company on or before December 31, 2020 (issued at value of $175,000); and
(iii) Pay a net smelter returns royalty ("NSR") equal to 3%.

The Property is subject to:

- an option to purchase one-third of the NSR from North American Exploration Inc. and Silverwater Capital Corp. at any time for the sum of $500,000; and
- North American Exploration Inc. and Silverwater Capital Corp. shall be paid 20% of the proceeds received on the sale of the Property to a third party.

NOTE 8 – FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, March 31, 2024	**$**	**43,400**
Additions		22,230
Settlement of flow-through premium liability to qualifying expenditures		(44,100)
Balance, March 31, 2025	**$**	**21,530**
Settlement of flow-through premium liability to qualifying expenditures		(14,300)
Balance, June 30, 2025	**$**	**7,230**

NOTE 9 – PROPERTY INVESTIGATION COSTS

Wulongguo Gold Mine Project

On December 13, 2024, the Company, entered into a three-year agreement with Luoning County Qian Shan Mining Co., Ltd ("LCQS") to investigate a prospective gold project at the Wulongguo Gold Mine ("WGM"), located in Henan Province, China. As part of the agreement, the Company will pay a 1,000,000 RMB refundable security deposit to LCQS (800,000 RMB paid as at March 31 and June 30, 2025) and will pay 600,000 RMB management fee (400,000 RMB paid) in the first year of the agreement. The fees will be renegotiated for the second and third years of the agreement. During the three months ended June 30, 2025, the Company incurred 11,286 RMB or $2,160 or property investigation costs (2024: $1,890).

NOTE 9 – PROPERTY INVESTIGATION COSTS (continued)

Everett Property

On June 2, 2025, the Company entered a non-binding letter of intent with Romaine River Titanium Inc. ("Romaine River") to acquire 50% joint venture interest in the mineral property known as the Everett (the "Property"), located in Quebec. The Company paid $37,500 on behalf of Romaine River to a third party and in return is granted exclusivity in dealing with Romaine River and Everett to earn up to a 100% interest the Property through the joint venture agreement until July 31, 2029. The payment is a non-refundable deposit and a credit against the initial exploration expenditure obligations of the Company and has been included in prepaid expense as at June 30, 2025. During the three months ended June 30, 2025, the Company incurred $61,300 of property investigation costs (2024: $Nil).

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts receivable, deposit, accounts payable and accrued liabilities and loan payable. The carrying value of these financial instruments approximates their fair values due to their immediate or short-term maturity.

Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including liquidity risk, credit risk, interest rate risk, political risk, foreign currency fluctuation risk, and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) 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 currently settles its financial obligations out of cash or through the issuance of common shares. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities and loan payable, all of which have contractual maturities of less than a year. The Company is exposed to liquidity risk.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. Cash is held with a major Canadian financial institution in Canada and the Bank of China in China. The Chinese government exercises significant control over China's economic growth by controlling payment of foreign currency-denominated obligations. While management does not believe that there is significant credit risk arising from the concentration of credit risk from the Company's customers, the foreign exchange controls imposed by the Chinese government may have an impact on the Company's cash flows.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk

The Company has a subsidiary in the People's Republic of China. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs and vendors are primarily in Canada and the People's Republic of China. Any fluctuations of the Canadian dollar in relation to the Chinese Yuan may affect the profitability of the Company and the value of the Company's assets and liabilities.

(Expressed in Canadian dollars)

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Management of Risks Arising From Financial Instruments (continued)

(vi) Commodity Price Risk

The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future potential revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

NOTE 11 – SEGMENTED INFORMATION

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the People's Republic of China.

The Company's geographic information as at June 30, 2025 and March 31, 2025 are as follows:

Total Assets		June 30, 2025		March 31, 2025
Canada	$	1,135,229	$	1,056,453
China		161,591		173,615
Total	$	1,296,820	$	1,230,068

NOTE 12 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the three months ended June 30, 2025. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.