



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Notice to Reader

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

The accompanying condensed interim financial statements have been prepared by and are the responsibility of the management of Caprock Mining Corp.

The Company's independent auditor has not reviewed these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Caprock Mining Corp.

Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	As at February 28, 2025 \$	As at August 31, 2024 \$
<u>Assets</u>			
Current			
Cash		171,574	131,408
Receivables	4	33,365	14,958
Prepaid expenses	5	11,828	6,564
Total Current Assets		216,767	152,930
Exploration and evaluation assets	6	2,149,000	1,989,000
Total Assets		2,365,767	2,141,930
<u>Liabilities</u>			
Current Liabilities			
Accounts payable and accrued liabilities	7	223,539	390,625
Flow-through share liability	8	21,694	-
Total Liabilities		245,233	390,625
<u>Shareholders' Equity</u>			
Share capital	9	4,196,200	3,742,065
Reserve for restricted share units	10	85,368	85,368
Reserve for share-based payments	11	234,843	85,773
Reserve for warrants	12	186,501	43,509
Accumulated deficit		(2,582,378)	(2,205,410)
Total Shareholders' Equity		2,120,534	1,751,305
Total Liabilities and Shareholders' Equity		2,365,767	2,141,930
Nature of operations and going concern	1		
Contingencies	17		

Approved on behalf of the Board of Directors on April 28, 2025:

"Vishal Gupta"

Vishal Gupta, Director

"Jim Kirke"

Jim Kirke, Director

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

Caprock Mining Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

		Three Months ended February 28, 2025	Three Months ended February 29, 2024	Six Months ended February 28, 2025	Six Months ended February 29, 2024
	Notes	\$	\$	\$	\$
Expenses					
Professional fees	14	121,039	69,198	196,804	141,315
Exploration and evaluation expenditures	6	52,618	4,729	55,166	73,137
Shareholder costs		10,286	5,998	21,648	12,330
Office and general		2,971	5,664	4,544	11,215
Advertising and promotion		45,077	2,997	59,779	5,994
Travel and entertainment		1,661	3,911	2,411	6,810
Share-based payments	11	144,187	-	144,187	-
Total Expenses		377,839	92,497	484,539	250,801
Other Income / (Expenses)					
Gain on debt settlement	9	100,000	-	100,000	-
Premium on flow-through shares	8	7,571	-	7,571	-
Total Other Income		107,571	-	107,571	-
Net Loss and Comprehensive Loss		(270,268)	(92,497)	(376,968)	(250,801)
Weighted Average Number of Outstanding Shares					
- Basic and diluted	13	66,756,278	42,119,753	59,231,377	41,896,126
Loss per Share					
- Basic and diluted	13	(0.004)	(0.002)	(0.006)	(0.006)

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

Caprock Mining Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital		Reserves			Accumulated Deficit	Total
		Number of Shares	Amount	Reserve for Restricted Share Units	Reserve for Share-Based Payments	Reserve for Warrants		
Balance, September 1, 2023		41,672,500	3,605,824	99,027	146,313	408,500	(2,110,784)	2,148,880
Shares issued on Ackley Property option acquisition		1,300,000	45,500	-	-	-	-	45,500
Shares issued on Amended Option Agreement		100,000	3,500	-	-	-	-	3,500
Expiry of RSUs		-	-	(4,448)	-	-	4,448	-
Expiry of options		-	-	-	(60,540)	-	60,540	-
Expiry of warrants		-	-	-	-	(408,500)	408,500	-
Net loss for the period	10	-	-	-	-	-	(250,801)	(250,801)
Balance, February 29, 2024		43,072,500	3,654,824	94,579	85,773	-	(1,888,097)	1,947,079
Balance, September 1, 2024		51,789,167	3,742,065	85,368	85,773	43,509	(2,205,410)	1,751,305
Proceeds from Private Placement	9	11,685,000	177,368	-	-	114,757	-	292,125
Proceeds from Flow-Through Private Placement	9	2,875,000	86,765	-	-	28,235	-	115,000
Flow-through share liability	8	-	(29,265)	-	-	-	-	(29,265)
Share issuance costs	9	-	(40,733)	-	4,883	-	-	(35,850)
Issuance on Big Ridge Property Acquisition Agreement	6,9	8,000,000	160,000	-	-	-	-	160,000
Issuance on Debt Conversion Agreement	9	2,000,000	100,000	-	-	-	-	100,000
Share-based compensation	11	-	-	-	144,187	-	-	144,187
Net loss for the period		-	-	-	-	-	(376,968)	(376,968)
Balance, February 28, 2025		76,349,167	4,196,200	85,368	234,843	186,501	(2,582,378)	2,120,534

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

Caprock Mining Corp.

Condensed Interim Statements of Cash Flows

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

		Three Months ended February 28, 2025	Three Months ended February 29, 2024	Six Months ended February 28, 2025	Six Months ended February 29, 2024
	Notes	\$	\$	\$	\$
<u>Operating Activities</u>					
Net loss for the period		(270,268)	(92,497)	(376,968)	(250,801)
Share-based payments	11	144,187	-	144,187	-
Amended Option Agreement compensation	6	-	3,500	-	3,500
Gain on debt settlement	9	(7,571)	-	(7,571)	-
Premium on flow-through shares	8	(100,000)	-	(100,000)	-
		(233,652)	(88,997)	(340,352)	(247,301)
Net change in non-cash working capital items:					
Receivables	4	(13,423)	(6,100)	(18,407)	2,215
Prepaid expenses	5	(7,092)	9,027	(5,264)	31,600
Accounts payable and accrued liabilities	7	49,044	10,885	32,914	33,292
Cash flows used in Operating Activities		(205,123)	(75,185)	(331,109)	(180,194)
<u>Investing Activities</u>					
Ackley property option	6	-	(25,000)	-	(25,910)
Cash flows used in Investing Activities		-	(25,000)	-	(25,910)
<u>Financing Activities</u>					
Proceeds from private placements	8,9,12	407,125	-	407,125	-
Share issuance costs	9	(35,850)	-	(35,850)	-
Cash flows from Financing Activities		371,275	-	371,275	-
Increase (decrease) in cash		166,152	(100,185)	40,166	(206,104)
Cash, beginning of period		5,422	129,780	131,408	235,699
Cash, end of period		171,574	29,595	171,574	29,595

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

Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Caprock Mining Corp. (“Caprock” or the “Company”) was incorporated as Blingold Corp. under the provisions of the *Business Corporations Act* (Ontario) on September 14, 2020. On July 12, 2021, the Company filed Articles of Amendment to change the name from Blingold Corp. to Caprock Mining Corp. The Company was incorporated to explore and evaluate mining properties in Canada. The registered address of the Company is 36 Toronto Street, Suite 701, Toronto, Ontario, M5C 2C5, Canada. On January 26, 2022, the Company’s common shares commenced trading on the Canadian Securities Exchange (the “CSE”) under the ticker “CAPR”.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain economically recoverable reserves. The continued operation of the Company and the recoverability of amounts shown or expended for exploration and evaluation (“E&E”) assets are dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or upon the Company’s ability to dispose of its interest on an advantageous basis, all of which are uncertain.

The Company’s future viability depends upon the acquisition and financing of mineral exploration or other projects. If the mineral projects are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The expected primary source of future funds presently available to the Company is through the issuance of common shares, or sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company.

For the three and six months ended February 28, 2025, the Company incurred a net loss of \$270,268 and \$376,968, respectively, (February 29, 2024 – \$92,497 and \$250,801 respectively) and had negative cash flow from operations of \$205,123 and \$331,109, respectively (February 29, 2024 – \$75,185 and \$180,194, respectively), and as at February 28, 2025, the Company had an accumulated deficit of \$2,582,378 (August 31, 2024 – deficit of \$2,205,410). The Company’s ability to continue as a going concern is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable operations.

These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities, reported revenues and expenses, and any classifications of statements of financial position that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”), including International Accounting Standards (“IAS”) 34 – *Interim Financial Reporting*. Accordingly, they do not include all of the information and disclosures required by IFRS for annual financial statements.

These condensed interim financial statements were approved by the Board of Directors (the “Board”) of the Company on April 28, 2025.

(b) Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss (“FVTPL”), which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

2. Basis of Presentation (continued)

(c) Functional Currency

These unaudited condensed interim financial statements are presented in Canadian dollars (“\$” or “CAD”), which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

(d) Significant Accounting Judgments, Estimates and Assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company’s ability to continue as a going concern by reviewing the Company’s performance, resources and future obligations. The conclusion that the Company will be able to continue is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management’s strategic planning.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Warrants and options

Warrants and options are initially recognized at fair value, based on the application of the Black-Scholes valuation model (“Black-Scholes”). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

Restricted Share Units

Restricted share units (“RSUs”) are initially measured and recognized at fair value, based on the market price from active market if available, and based on management judgment using various estimation techniques and valuation models if information from active market is not available.

Shares issued for non-cash consideration

The Company is required to recognize these transactions at fair value which requires judgment in selecting valuation techniques and other factors.

Impairment assessment of non-current assets

Long-lived assets, including E&E assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount.

Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

2. Basis of Presentation (continued)

(d) Significant Accounting Judgments and Estimates (continued)

These are determined through the exercise of judgments and are dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws, and technological improvements.

Restoration, rehabilitation and environmental obligations

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates.

Income taxes

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Expected credit losses on financial assets

Determining an allowance for expected credit losses for amounts receivable and all debt financial assets not held at FVTPL requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those noted in the Company's audited financial statements for the year ended August 31, 2024.

4. Receivables

	February 28, 2025	August 31, 2024
	\$	\$
Sales tax recoverable	25,914	7,507
Other receivable	7,451	7,451
	33,365	14,958

5. Prepaid expenses

	February 28, 2025	August 31, 2024
	\$	\$
Prepaid insurance	2,928	6,564
Advances made to vendors	8,900	-
	11,828	6,564

Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

Destiny gold property

On December 3, 2024 the Company entered into a binding option agreement to acquire a 100% interest in the Destiny gold property ("Destiny") located near Val D'Or, Quebec from Big Ridge Gold Corp. (the "Optionor") (the "Transaction"). As the Optionor is the holder of approximately 19.3% of the outstanding common shares of the Company, the Option Agreement constitutes a related party transaction under applicable securities laws. The Transaction closed on December 31, 2024 (the "Closing Date").

Destiny comprises 127 mineral claims that collectively span an area of 5,013 hectares located less than two hours' drive from Val D'Or.

The Company has an option to acquire 100% interest in Destiny by incurring the following obligations over the course of three years (which may be accelerated at Caprock's option) from the Closing Date:

- Issuance of 8,000,000 common shares of the Company on the Closing Date (Issued on December 31, 2024 – see Note 9 for more information);
- Payment of \$100,000 in cash and \$250,000 in common shares of the Company on or before the 1-year anniversary of the Closing Date;
- Payment of \$250,000 in cash and \$350,000 in common shares of the Company on or before the 2-year anniversary of the Closing Date;
- Payment of \$400,000 in cash and \$700,000 in common shares of the Company on or before the 3-year anniversary of the Closing Date; and
- Incurring qualified expenditures on the Property totaling \$2,450,000 with the following breakdown:
 - \$200,000 on or before the 1-year anniversary of the Closing Date;
 - an additional \$750,000 on or before the 2-year anniversary of the Closing Date; and
 - an additional \$1,500,000 on or before the 3-year anniversary of the Closing Date.

In the event that the Company earns a 100% interest in Destiny, the Optionor will retain a 1% Net Smelter Return royalty on the production of gold and other minerals from the Destiny claims, and the Company will retain the right to buy this royalty back for consideration of \$1,000,000.

Big Ridge Property

On March 11, 2021, the Company entered into an agreement with Big Ridge Gold Corp. ("Big Ridge") (the "Big Ridge Agreement"), to acquire an aggregate of 523 mining claims and 15 leases located in the Province of Ontario known as the Mud Lake, Golden Heart, Brookbank East, three Towers, Miner Lake and Green Oaks properties, subject to royalties (collectively the "Big Ridge Property") for the purchase price of 10,000,000 common shares at a deemed price of \$0.10 per common share. As a condition of closing, the Company was required to have all necessary approvals to complete a going public transaction, which occurred on January 26, 2022, when the Company's common shares were listed for trading on the CSE. The Big Ridge Property acquisition closed on February 28, 2022, and 10,000,000 common shares were issued at the price of \$0.20 per share, being the closing price of the common shares on that date.

During the fiscal year ended August 31, 2023, the Company relinquished the mining claims at Golden Heart, Brookbank East, and Three Towers, leaving the Company with 408 mining claims collectively covering an area of 6,418 hectares. Management exercised judgement in assigning value to the relinquished claims based on total reserve for the claims on the Big Ridge Property and assigned an impairment of \$11,000 to the relinquished claims.

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Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

Ackley Property

On January 31, 2023 (the “Effective Date”), the Company entered into a binding option agreement (the “Option Agreement”) to earn a 100% interest in the Ackley Lithium-Tin-Molybdenum-REE property (the “Ackley Property”) located in south-eastern Newfoundland. The Ackley Property comprises 182 mining claims collectively covering an area of 4,550 hectares. Under the terms of the Option Agreement, the Company was required to make the following share issuances, Optionor cash payments, and exploration expenditures over the course of three years (which may be accelerated at the Company’s option) from the effective date:

- Issuance of 5,200,000 common shares (“Consideration Shares”) of the Company with 1,300,000 issued immediately on January 31, 2023, 1,300,000 Consideration Shares issued on January 31, 2024, and 1,300,000 Consideration shares to be issued each on January 31, 2025, and 2026 until fully issued;
- Payment of \$125,000 in cash with \$20,000 paid immediately on January 31, 2023, \$25,000 paid on January 31, 2024, and \$30,000 payable on January 31, 2025, and \$50,000 on January 31, 2026;
- Incurrence of qualified expenditures on the Ackley Property totaling \$750,000 of which \$150,000 is incurred within the first 12 months until January 31, 2024, an additional \$250,000 within 24 months until January 31, 2025, and an additional \$350,000 within 36 months until January 31, 2026; and
- A one-time payment of \$10,000 to a consultant for the staking costs and over 100 kilometers of detailed high resolution ground magnetic data generated on the property in recent years.

Following the transfer of the Optionor’s interest in the Ackley Property, the Optionor would retain a two percent (2%) Net Smelter Returns royalty (“NSR”), subject to the right of the Company to buy back 1% of the royalty for cash consideration of \$1,000,000. In February 2023, the Company made an additional stake in a block at Ackley West comprising of 40 claims for \$600. This brought the total claims at the Ackley Property to 222 claims.

The Company will pay the Optionor a royalty equal to two percent (“2%”) of the NSR for all Mineral Products (“Royalty”). Such Royalty will be a burden on the Ackley property and any renewal or extension thereof, and accordingly shall be binding upon and represent a liability of any successors of the Property.

The Company may on written notice to the Optionor and without requiring further consent from the Optionor, purchase one-half of the Royalty (“1%”) at any time in consideration of a cash payment of \$1,000,000 to the Optionor.

In February 2023, the Company made an additional stake in a block at Ackley West comprising of 40 claims for \$600. This brought the total claims at the Ackley Property to 222 claims.

On January 18, 2024, the Company entered into an amendment of the Option Agreement (the “Amended Option Agreement”) to make up for the shortfall in the qualifying expenditure obligation that ought to have been incurred during the first 12 months of the effective date per terms of the Option Agreement.

On January 30, 2024, the Company issued 100,000 common shares valued at \$3,500 as consideration to the Optionor of the Ackley Property pursuant to the terms of the Amended Option Agreement.

On January 31, 2024, the Company made a cash payment of \$25,000 and issued Consideration Shares of 1,300,000 pursuant to the terms of the Option Agreement.

During the year ended August 31, 2024, the Company concluded that the Ackley project was impaired and recognized \$154,010 of impairment, which was charged to operations.

On December 3, 2024, the Company filed a formal notice of termination with the vendor of the Ackley property, terminating the Ackley option agreement.

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Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

As at February 28, 2025 and August 31, 2024, the carrying value of the Company's E&E assets was comprised as follows:

	February 28, 2025	August 31, 2024
	\$	\$
Opening balance	1,989,000	2,071,600
Destiny Gold Property Option	160,000	
Ackley Property Option	-	71,410
Impairment of E&E assets	-	(154,010)
Closing balance	2,149,000	1,989,000

The table below shows the breakdown of E&E expenses in the periods ended February 28, 2025 and 2024 with respect to the Company's exploration and evaluation assets.

	2025			2024	
	Destiny Property	Big Ridge Property	Ackley Property	Total	Total
	\$	\$	\$	\$	\$
Claims management	7,184	5,803	-	12,987	424
Report	4,000	-	-	4,000	44,875
Prospecting	-	-	-	-	4,400
Sampling	-	-	-	-	3,447
Assays	-	-	-	-	1,822
Project management	-	-	-	-	975
Survey	20,000	-	-	20,000	7,000
Mapping	-	-	-	-	575
Field costs	11,197	-	-	11,197	3,822
Storage fees	-	6,982	-	6,982	2,297
Others	-	-	-	-	3,500
E&E Expense for the period	42,381	12,785	-	55,166	73,137

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

	February 28, 2025	August 31, 2024
	\$	\$
Accounts payable	99,264	99,526
Accrued liabilities	124,275	291,099
	223,539	390,625

8. Flow-Through Share Liability

Flow-through share liability includes the liability portion of the flow-through shares issued. The flow-through common shares issued in the FT Private Placement (defined hereafter) completed on December 31, 2024 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$29,265 and will be derecognized through income as eligible expenditures are incurred.

During the three and six months ended February 28, 2025, the Company incurred eligible expenditures of \$29,749, satisfying \$7,571 of such premium.

As at February 28, 2025, the flow-through share liability is carried at a balance of \$21,694.

Caprock Mining Corp.

Notes to the Condensed Interim Financial Statements

For the Three and Six Months ended February 28, 2025 and February 29, 2024

(Unaudited - Expressed in Canadian Dollars)

9. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

The movement of share capital for the period ended February 28, 2025 and the year ended August 31, 2024 are as follows:

	Number of common shares	Amount
	#	\$
Balance, August 31, 2023	41,672,500	3,605,824
Shares issued on Amended Option Agreement	100,000	3,500
Shares issued on Ackley Property option acquisition	1,300,000	45,500
Shares issued on Private Placement	8,716,667	87,241
Balance, August 31, 2024	51,789,167	3,742,065
Proceeds from Private Placement	11,685,000	177,368
Proceeds from Flow-Through Private Placement	2,875,000	86,765
Flow-through share liability	-	(29,265)
Share issuance costs	-	(40,733)
Issuance on Big Ridge Property Acquisition Agreement	8,000,000	160,000
Issuance on Debt Conversion Agreement	2,000,000	100,000
Balance, February 28, 2025	76,349,167	4,196,200

Share capital transactions for the six months ended February 28, 2025

On December 31, 2024, the Company completed a private placement offering (the “Non-FT Private Placement”) of 11,685,000 units of the Company (“Units”) at a price of \$0.025 per Unit, for aggregate gross proceeds of \$292,125. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at an exercise price of \$0.06 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.02; expected dividend yield of 0%; risk-free interest rate of 2.93%; volatility of 139.15% and an expected life of 2 years. The Company recorded \$177,368 for the issuance of shares and \$114,757 for the issuance of warrants based on a relative fair value calculation. See Note 12 for more details.

The Company also completed a private placement offering (the “FT Private Placement,” and together with the Non-FT Private Placement, the “Private Placement Offerings”) of 2,875,000 flow-through units of the Company (“FT Units”) at a price of \$0.04 per FT Unit, for aggregate gross proceeds of \$115,000. Each FT Unit consists of one Share (“FT Share”) and one Warrant, with each Warrant entitling the holder to purchase one common share at an exercise price of \$0.06 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.02; expected dividend yield of 0%; risk-free interest rate of 2.93%; volatility of 139.15% and an expected life of 2 years. The Company recorded \$57,500 for the issuance of shares, \$28,235 for the issuance of warrants, and \$29,265 for the flow-through share liability based on a residual fair value calculation. See Notes 8 and 12 for more details.

An aggregate of \$35,850 was paid to certain finders and an aggregate of 230,000 compensation options were issued to certain finders in connection with the Private Placement Offerings. Each compensation option entitles the finder to acquire one Unit at a price of \$0.025 at any time on or before December 31, 2026. The fair value of the compensation options estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.02; expected dividend yield of 0%; risk-free interest rate of 2.93%; volatility of 139.15% and an expected life of 2 years. The estimated fair value of each compensation option was \$0.0212, resulting in a total fair value of \$4,883, which has been recorded as a share issuance cost and included in reserve for share-based payments.

On December 31, 2024, the Company issued 8,000,000 shares pursuant to closing the binding option agreement to acquire a 100% interest in Destiny (see Note 6 for more details). The estimated fair value of the shares was \$160,000, based on the \$0.02 closing price of the Company’s shares on the date of issuance.

Caprock Mining Corp.

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9. Share Capital (continued)

On February 20, 2025, the Company issued 2,000,000 common shares to settle outstanding indebtedness of \$200,000 owed to the Company's Chief Executive Officer ("CEO"). The estimated fair value of the shares was \$100,000, based on the \$0.05 closing price of the Company's shares on the date of issuance. As a result, the Company recognized a \$100,000 gain on debt settlement on the unaudited condensed interim statement of loss and comprehensive loss.

Share capital transactions for the year ended August 31, 2024

On January 30, 2024, the Company issued 100,000 common shares at \$0.035 per share to the Optionor of the Ackley Property as consideration for entering into an Amended Option Agreement

On January 31, 2024, the Company issued an additional 1,300,000 Consideration Shares towards the option acquisition of the Ackley Property in line with the terms of acquisition. The Consideration Shares issued had a fair value of \$45,500 based on the Company's share price of \$0.035 per share on the date of issuance.

On August 30, 2024, the Company closed a private placement in which the Company issued 8,716,667 units priced at \$0.015 per unit for gross proceeds of \$130,750. Each unit is made up of one common share of the Company and one half of one common share purchase warrant, with each whole warrant exercisable to buy one additional common share at a price of \$0.05 for a period of 24 months from the date of issuance thereof. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$0.01; expected dividend yield of 0%; risk-free interest rate of 3.33%; volatility of 457% and an expected life of 2 years. The fair value assigned to these warrants was \$43,509 based on a relative fair value calculation.

10. Reserve for Restricted Share Units

On March 10, 2022, the Company implemented a restricted share units plan (the "RSU Plan"). Under the RSU Plan, Eligible Persons (as such term is defined in the RSU Plan) may, at the discretion of the Compensation Committee of the Board, be allocated a number of RSUs, which are subject to a maximum vesting term of one year from the calendar year in which the RSUs were granted.

The maximum number of common shares that are issuable under the RSU Plan is limited to 10% of the number of issued and outstanding common shares. As at February 28, 2025, the Company had 6,800,916 common shares available for issuance under the RSU Plan (August 31, 2024 – 4,344,917).

During the three and six months ended February 28, 2025, share-based compensation of \$nil (2023 – \$nil) was recorded in connection with the vesting of these RSUs.

The following summarizes the RSU activity for the three and six months ended February 28, 2025 and the year ended August 31, 2024:

	2025		2024	
	Number of RSUs	Weighted average	Number of RSUs	Weighted average
		exercise price		exercise price
	#	\$	#	\$
Outstanding, beginning of period	834,000	0.12	923,000	0.12
Expired	-	-	(42,500)	0.12
Outstanding, end of period	834,000	0.12	880,500	0.12

The cancelled RSUs are RSUs that had not yet vested as of the date the Eligible Persons resigned from the Company.

11. Reserve for Share-Based Payments

The Company maintains the Option Plan whereby certain key officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that are issuable under the Option Plan is limited to 10% of the number of issued and outstanding common shares. Under the Option Plan, the exercise price of each option may not be less than the closing price of the Company's common shares on the trading day prior to the grant date or the grant date itself, whichever is higher. Vesting of options is determined at the discretion of the Board.

As at February 28, 2025, the Company had 642,916 common shares available for issuance under the Option Plan (August 31, 2024 – 4,216,917).

Caprock Mining Corp.

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11. Reserve for Share-Based Payments (continued)

The following summarizes the stock option activity for the three and six months ended February 28, 2025 and the year ended August 31, 2024:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	#	\$	#	\$
Outstanding, beginning of period	962,000	0.12	1,641,000	0.12
Granted	6,030,000	0.06	-	-
Expired	-	-	(679,000)	0.12
Outstanding, end of period	6,992,000	0.07	962,000	0.12

Options activities for the three and six months ended February 28, 2025

On February 4, 2025, the Company granted 6,030,000 options to certain officers, directors and consultants. The options are exercisable at a price of \$0.06 per common share for a period of five years. The options vested immediately and were valued using a Black Scholes option pricing model with the following assumptions: share price of \$0.03, expected volatility of 127.13% based on the historical volatility, expected dividend yield of 0%, risk-free interest rate of 2.66% and an expected life of five years. The grant date fair value attributable to these options of \$144,187 was recorded as stock-based compensation in connection with the vesting of options.

The following table summarizes information of stock options outstanding and exercisable as at February 28, 2025:

Date of expiry	Number of options outstanding	Number of options exercisable	Exercise price	Weighted average remaining contractual life
	#	#	\$	Years
March 9, 2027	962,000	962,000	0.12	2.02
February 4, 2030	6,030,000	6,030,000	0.06	4.93
	6,992,000	6,992,000	0.07	4.53

During the three and six months ended February 28, 2025, share-based compensation of \$144,187 (February 29, 2024 – \$nil) was recorded in connection with the vesting of these stock options.

12. Reserve for Warrants

The following summarizes the warrant activity for the three and six months ended February 28, 2025 and the year ended August 31, 2024:

	2025		2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
	#	\$	#	\$
Outstanding, beginning of period	4,358,333	0.16	10,400,510	0.15
Expired	-	-	(10,400,510)	0.15
Granted	14,560,000	0.06	4,358,333	0.05
Outstanding, end of period	18,918,333	0.08	4,358,333	0.05

The following table summarizes information of warrants outstanding as at February 28, 2025:

Date of expiry	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	\$	Years
August 30, 2026	4,358,333	0.05	1.50
December 31, 2026	14,560,000	0.06	1.84
	18,918,333	0.06	1.76

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(Unaudited - Expressed in Canadian Dollars)

13. Basic and Diluted Loss per Share

The calculations of basic and diluted loss per share for the three and six months ended February 28, 2025 were based on the net loss of \$270,268 and \$376,968, respectively (February 29, 2024 – \$92,497 and \$250,801, respectively) and the weighted average number of basic and diluted common shares outstanding of 66,756,278 and 59,231,377, respectively (February 29, 2024 – 42,119,753 and 41,896,126, respectively).

14. Related Party Transactions

In accordance with IAS 24 – *Related Party Disclosures*, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

The remuneration of directors and other members of key management personnel during the three and six months ended February 28, 2025 and February 29, 2024 were as follows:

	Three Months ended February 28, 2025	Three Months ended February 29, 2024	Six Months ended February 28, 2025	Six Months ended February 29, 2024
	\$	\$	\$	\$
Management salaries and consulting fees	43,750	43,750	87,500	87,500
Professional fees	15,000	17,000	30,000	38,000
Stock-based compensation	133,905	-	133,905	-
	192,655	60,750	251,405	125,500

Effective June 7, 2021, the Company entered into an executive management agreement with Windmark Financial Limited (“Windmark”), a company controlled by the Company’s President and CEO to pay the CEO \$175,000 per year. During the three and six months ended February 28, 2025, the Company recorded consulting fees of \$43,750 and \$87,500, respectively (February 29, 2024 – \$43,750 and \$87,500, respectively) in relation to the CEO’s consulting compensation. As at February 28, 2025, \$159,877 (August 31, 2024 – \$305,279) was owed to the CEO and included in accounts payable and accrued liabilities.

During the three and six months ended February 28, 2025, Branson Corporate Services Ltd. (“Branson”), where the Company’s Chief Financial Officer (“CFO”) is employed, charged fees of \$15,000 and \$30,000, respectively (February 29, 2024 – \$17,000 and \$38,000), for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at February 28, 2025, \$12,700 was owed to Branson and included in accounts payable and accrued liabilities (August 31, 2024 – \$25,750).

Share Transactions

On February 20, 2025, the Company issued 2,000,000 common shares to settle outstanding indebtedness of \$200,000 owed to the Company’s CEO.

Share-based payments

During the three and six months ended February 28, 2025, total stock-based compensation of \$133,905 was recorded in connection with the vesting of certain options and RSUs granted to various officers and directors. (February 29, 2024 – \$nil).

15. Capital Management

The Company’s capital under management includes equity of \$2,120,534 at February 28, 2025 (August 31, 2024 – \$1,751,305). The Company’s objectives when managing capital are to: (i) safeguard its ability to continue as a going concern, (ii) provide an adequate return to shareholders, and (iii) provide sufficient funding to support on-going exploration and capital development plans.

While the Company does not yet have any revenues, management monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

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15. Capital Management (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its business activities.

The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

16. Financial risks

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with reputable Canadian chartered banks, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at period-end is limited to the receivable balance.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities.

As at February 28, 2025, the Company had a cash balance of \$171,574 (August 31, 2024 – \$131,408) to settle current liabilities of \$245,233 (August 31, 2024 – \$390,625).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at February 28, 2025:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	\$	\$	\$	\$
Accounts payable and accrued liabilities	223,539	223,539	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations, the Company's cash position as at period end, and its strategic financing plan over the next 12 months.

Flow-through obligations

Pursuant to the terms of flow-through share agreements, the Company is also in the process of complying with its flow-through obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of February 28, 2025, the Company had spent a total of \$29,749 on eligible expenditures towards its flow-through obligations, with a remaining balance of \$85,251 to be spent by December 31, 2025.

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16. Financial risks (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. While the Company's operations are based in Canada, it may have, from time to time, transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk is minimal.

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 does not hold any instruments subject to interest rate risk as at February 28, 2025.

Fair value

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

As at February 28, 2025, the Company's financial instruments consist of cash, receivables and accounts payable. The fair value of cash, and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	171,574	-	-	171,574

As at February 28, 2025, the Company's financial instruments carried at fair value consisted of its cash, which is classified as Level 1. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the three and six months ended February 28, 2025 and February 29, 2024.

17. Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at the date hereof, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

The Company also believes that there are no environmental-related liabilities that will have a material adverse effect on the financial position or operating results of the Company.