BRS RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2024 and 2023

(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
BRS Resources Ltd.

Opinion

We have audited the accompanying consolidated financial statements of BRS Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at October 31, 2024, the Company's total deficit was $19,028,988 and had a working capital of $39,925. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

<u>Valuation and Recognition of AleAnna, Inc. Shares</u>

As described in Note 5 to the consolidated financial statements, the Company had an interest in AleAnna Energy L.L.C. which owns 100% of AleAnna Resources L.L.C. through its wholly owned subsidiary, Bonanza Resources (Texas) Inc. ("Bonanza"). Subsequent to the year end, on December 13, 2024, Bonanza received notice that their holdings in AleAnna Energy L.L.C. were being replaced with 1,969,882 common shares of AleAnna, Inc. due to a completed amalgamation transaction that included AleAnna Energy L.L.C. As at October 31, 2024, the Company recorded a fair value adjustment of $24,710,654 relating to the valuation of the AleAnna, Inc. shares using a discount for lack of marketability ("DLOM") of 15%.

We consider the valuation of the investment to represent a key audit matter, as it represents an area of significant risk of material misstatement given the degree of estimation uncertainty involved. A high degree of auditor judgment, subjectivity, and effort was required in performing procedures to evaluate management's quantitative and qualitative estimates and assumptions.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining documentation to confirm the existence of the investment shares and to understand the trading restrictions imposed;
- Obtaining and evaluating management's calculation of the fair value of the investment shares acquired;
- Engaging an auditor's valuation expert to analyze the rates used for the DLOM on investment shares acquired and the fair value of the shares recognized as at October 31, 2024; and
- Assessing the adequacy of the related disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
February 28, 2025

BRS Resources Ltd.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

		October 31, 2024		October 31, 2023
ASSETS				
Current				
Cash	**$**	**335,045**	$	10,030
GST receivable		**60,926**		47,744
Due from related party *(Note 9)*		**58,700**		2,100
		454,671		59,874
Exploration and evaluation asset *(Note 6)*		**262,482**		217,251
Investment *(Note 5)*		**24,710,654**		-
Total Assets	**$**	**25,427,807**	$	277,125
LIABILITIES				
Current				
Accounts payable and accrued liabilities (*Note 9*)	**$**	**142,419**	$	409,261
Convertible debentures (*Note 10*)		**272,327**		236,764
		414,746		646,025
Deferred tax liability *(Note 12)*		**4,774,000**		-
Total Liabilities		**5,188,746**		646,025
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (*Note 8)*		**35,186,259**		34,662,476
Reserves (*Note 8)*		**4,076,190**		3,543,751
Equity component of debentures (*Note 10*)		**5,600**		5,600
Subscriptions received in advance (*Note 8)*		**-**		24,900
Deficit		**(19,028,988)**		(38,605,627)
Total Shareholders' Equity (Deficiency)		**20,239,061**		(368,900)
Total Liabilities & Shareholders' Equity (Deficiency)	**$**	**25,427,807**	$	277,125

Nature and continuance of operations *(Note 1)*
Subsequent events (*Note 6 and Note 13*)

APPROVED ON BEHALF OF THE BOARD:

"Byron Coulthard"
Director

"Steve Moore"
Director

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

BRS Resources Ltd.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)

	For the years ended October 31, 2024	2023
Expenses		
Consulting fees *(Note 9)*	**$ 170,900**	$ 170,000
Finance costs *(Note 10)*	**35,563**	26,317
Legal and accounting *(Note 9)*	**145,119**	205,516
Office and general *(Note 9)*	**33,828**	10,489
Promotion and marketing *(Note 9)*	**637**	4,000
Property investigation	-	10,975
Regulatory fees	**31,418**	26,035
	(417,465)	(453,332)
Unrealized gain on investment *(Note 5)*	**24,710,654**	-
Gain on settlement of debt	**26,027**	-
Write-off of accounts payable and accrued liabilities	**39,123**	12,180
Write-off of GST receivable	**(7,700)**	(7,439)
Income (loss) before income taxes	**24,350,639**	(448,591)
Deferred tax expense *(Note 12)*	**(4,774,000)**	-
Income (loss) and comprehensive income (loss) for the year	**$ 19,576,639**	$ (448,591)
Earnings (loss) per common share* – basic *(Note 8)*	**$ 0.70**	$ (0.02)
Earnings (loss) per common share* – diluted *(Note 8)*	**$ 0.56**	$ (0.02)
Weighted average number of common shares* outstanding – basic *(Note 8)*	**28,152,067**	19,210,709
Weighted average number of common shares* outstanding – diluted *(Note 8)*	**34,962,150**	19,210,709

Post 10:1 share consolidation** ***(Note 1)

BRS Resources Ltd.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Common shares*	Share capital	Reserves	Equity component of debentures	Subscriptions received in advance	Deficit	Total
Balance, October 31, 2022	**13,045,394**	**$ 34,209,418**	**$ 3,073,187**	**$ 5,600**	**$ -**	**$ (38,157,036)**	**$ (868,831)**
				-			
Private placements	5,400,000	286,669	253,331	-	-	-	540,000
Share issuance costs – cash	-	(27,300)	-	-	-	-	(27,300)
Share issuance costs – broker's warrants	-	(24,100)	24,100	-	-	-	-
Shares for debt	4,109,224	217,789	193,133	-	-	-	410,922
Subscription received in advance	-	-	-	-	24,900	-	24,900
Loss for the year	-	-	-	-	-	(448,591)	(448,591)
Balance, October 31, 2023	**22,554,618**	**34,662,476**	**3,543,751**	**5,600**	**24,900**	**(38,605,627)**	**(368,900)**
Private placements	7,166,666	561,561	513,439	-	(24,900)	-	1,050,100
Share issuance costs – cash	-	(41,000)	-	-	-	-	(41,000)
Share issuance costs – broker's warrants	-	(19,000)	19,000	-	-	-	-
Shares issued for exploration and evaluation assets	111,111	22,222	-	-	-	-	22,222
Income for the year	-	-	-	-	-	19,576,639	19,576,639
Balance, October 31, 2024	**29,832,395**	**$ 35,186,259**	**$ 4,076,190**	**$ 5,600**	**$ -**	**$ (19,028,988)**	**$ 20,239,061**

Post 10:1 share consolidation *(Note 1)*

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

BRS Resources Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the years ended October 31, 2024		2023	
Operating activities				
Income (loss) for the year	$	**19,576,639**	$	(448,591)
Deferred tax expense		**4,774,000**		-
Finance costs		**35,563**		26,317
Write-off of accounts payable and accrued liabilities		**(39,123)**		(12,180)
Gain on settlement of debt		**(26,027)**		-
Write-off of GST receivable		**7,700**		7,439
Unrealized gain on investment		**(24,710,654)**		-
Change in non-cash working capital items:				
GST receivable		**(20,882)**		(29,724)
Accounts payable and accrued liabilities		**(124,948)**		42,984
Cash used in operating activities		**(527,732)**		(413,755)
Investing activities				
Exploration and evaluation assets		**(99,753)**		(139,522)
Cash used in investing activities		**(99,753)**		(139,522)
Financing activities				
Issuance of shares		**1,050,100**		540,000
Share issuance costs		**(41,000)**		(27,300)
Amount transferred to related party		**(56,600)**		(2,100)
Subscription received in advance		**-**		24,900
Cash provided by financing activities		**952,500**		535,500
Change in cash during the year		**325,015**		(17,777)
Cash, beginning of the year		**10,030**		27,807
Cash, end of the year	$	**335,045**	$	10,030
Supplemental information				
Interest paid	$	**-**	$	-
Taxes paid	$	**-**	$	-
Shares issued for debt	$	**-**	$	410,922
Shares issued for exploration and evaluation assets	$	**22,222**	$	-
Exploration expenditures included in accounts payable and accrued liabilities	$	**985**	$	77,729
Fair value of private placements’ warrants	$	**513,439**	$	253,331
Fair value of broker’s warrants	$	**19,000**	$	24,100

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

1. NATURE AND CONTINUANCE OF OPERATIONS

BRS Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia, and is a reporting issuer in British Columbia and Alberta. The Company is pursuing the acquisition, exploration and evaluation of mineral properties in Canada. The address of its registered head office is 308 - 1441 Johnston Road, White Rock B.C. V4B 3Z7.

On April 28, 2023, the Company consolidated its outstanding common shares on the basis of ten existing shares for one new share. All share and per share amounts in the financial statements have been retroactively restated in these financial statements to reflect the share consolidation.

Effective September 3, 2024, the Company is listed on the Canadian Securities Exchange (the "Exchange") under the trading symbol "BRS".

These consolidated financial statements have been prepared using accounting principles applicable to a going concern. The going concern basis assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at October 31, 2024, the Company has not recognized revenue, has a net working capital of $39,925 (2023 – deficiency of $586,151), has an accumulated deficit of $19,028,988 (2023 – $38,605,627) since its inception, and has not yet determined whether its properties contain mineral reserves that are economically recoverable. These circumstances comprise a material uncertainty which may cast significant doubt upon the Company's ability to continue as going concern.

The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise additional financing to fund its operations. There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Management plans to continue to pursue equity and debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going concern will be impaired. The outcome of these matters cannot be predicted at this time.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. If the Company is not able to continue as a going concern, the Company may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These differences could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for the years ended October 31, 2024 and 2023.

These consolidated financial statements were authorized for issuance by the Board of Directors on February 28, 2025.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value as determined at each reporting date. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentational currency

These consolidated financial statements are presented in Canadian dollars. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar. The functional currency of Bonanza Resources (Texas) Inc. ("Bonanza Resources") is the US dollar ("USD").

Basis of consolidation

In May 2023, the Company was informed its wholly owned subsidiary, Bonanza Resources, had been involuntarily dissolved due to it being inactive. As a result, the financial statements for the year ended October 31, 2023 were adjusted to reflect the dissolution retrospectively. On March 11, 2024, the Company's wholly-owned subsidiary, Bonanza Resources, was reinstated in the State of Texas, and the Company regained control over the entity.

The accompanying consolidated financial statements include the accounts of the Company and Bonanza Resources. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All significant intercompany transactions and balances have been eliminated.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated. The accounting policies have been applied consistently by all entities and for all periods presented.

Cash and cash equivalents

Cash and cash equivalents may include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of 90 days or less when acquired. As at October 31, 2024 and 2023, the Company did not have any cash equivalents.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign exchange

Foreign currency transactions are translated into each entity's functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. Revenues and expenses denominated in foreign currencies are translated at rates of exchange prevailing on the transaction dates. All gains and losses on translation of these foreign currency transactions are charged to the profit or loss.

At year end, the Company's results are translated into Canadian dollars. For entities whose functional currency is not the Canadian dollar, expenses are translated at the exchange rate approximating those in effect on the date of the transactions and assets and liabilities are translated at the rate of exchange at the reporting date and equity is translated at historical rates. Exchange gains and losses, including results of re-translation, are recorded as a cumulative translation adjustment in other comprehensive income.

Exploration and evaluation assets

All expenditures related to the acquisition, exploration and evaluation of mineral properties are capitalized and deferred on a property-by-property basis, once the legal right to explore the property has been acquired. Costs are capitalized until the project to which the costs relate is sold, abandoned, impaired or placed into production. Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as property investigation. During the year ended October 31, 2024, the Company expensed $Nil (2023 - $10,975) in costs related to pre-acquisition expenditures.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. If it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Basic and diluted loss per share

Basic earnings (loss) per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income or loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year, if they are determined to have a dilutive effect. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. For the year ended October 31, 2023, all potentially dilutive shares were anti-dilutive and therefore excluded from the diluted earnings per share calculation.

Share capital

The proceeds from the exercise of stock options, warrants and purchase of shares are recorded as share capital in the amount for which the common share, option or warrant enabled the holder to purchase a share in the Company. All costs related to issuances of share capital are charged against the proceeds received from the related share capital.

The proceeds from the issuance of units is accounted for using the relative fair value method. Under this method, the value is allocated between common shares and common share purchase warrants on a prorated basis as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model (the “Black-Scholes Model”).

Flow-through shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the Company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or “premium” are recorded as a deferred credit. When eligible expenditures are incurred, a deferred tax liability is recognized, and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subjected to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based compensation

The Company uses the fair value method of accounting for all share-based awards to non-employees and employees, including those that are direct awards of stock.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of options is determined using the Black-Scholes Model. The Black-Scholes Model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The Black-Scholes Model requires management to make estimates, which are subjective and may not be representative of actual results. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Convertible debentures

Under the Company's convertible debentures policy, the host debt liability, equity conversion feature and other (when applicable) components of convertible debentures are presented separately on the statement of financial position, at initial recognition. The Company determines the carrying amount of the financial liability by discounting the stream of future payments at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows.

The liability component is then increased by accretion of the discounted amounts to reach the face value of the convertible debentures at maturity which is recorded in profit or loss as accretion expense.

The carrying amount of other components (when applicable), such as warrants, is determined using the Black-Scholes Model. The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability and the carrying amounts of any other components (when applicable) from the amount of the convertible debentures, and is presented in equity as an equity component of convertible debentures.

The transaction costs are allocated between the liability and equity components, on a pro-rata basis according to their carrying amounts.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term. The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

During the year ended October 31, 2024, the Company expensed $24,000 (2023 - $6,000) for short-term office rent.

Income taxes

The Company follows the liability method to provide for income taxes on all transactions recorded in its financial statements. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred income tax assets and liabilities are determined for each temporary difference and for unused tax losses and unused tax credits, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in the statement of income (loss) and comprehensive income (loss), as appropriate, in the period that includes the substantive enactment date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regard to previous years.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

As of October 31, 2024 and 2023, the Company did not have any decommissioning liabilities.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets / liabilities	Classification
Cash	FVTPL
Due from related party	Amortized cost
Investment	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost

Measurement

Financial assets and liabilities carried at amortized cost are initially recognized at fair value, plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Selected investments in equity instruments at FVTOCI are initially recorded at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company does not hold any financial assets classified as FVTOCI.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset is impaired. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition

Financial assets

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

Financial liabilities

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

Critical judgments, estimates, and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a regular basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Specific amounts and disclosures affected by estimates and assumptions are:

Estimates

(i) The provision for income taxes is based on judgments in applying income tax law and estimates on the timing, likelihood and reversal of temporary differences between the accounting and tax base of assets and liabilities (Note 12).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Critical judgments, estimates, and assumptions (continued)

(ii) Management estimates the discount rate used to evaluate the present value of convertible debentures. The discount rate was determined by comparing debt issuances in similar companies, historical experience of the Company and by assessing macro-economic factors present in the market (Note 10).

(iii) The determination of the fair value of common shares is subject to certain management estimates as the Company is not publicly traded in an active market. The fair market value of the common shares issued was determined by using the cash value paid to purchase shares around the time of issuance (Note 8).

(iv) The determination of the fair value of the investment is subject to certain management estimates, as the securities were not yet publicly traded as of October 31, 2024, and they have a lock-up restriction on their sale. The fair market value of the securities were valued using a discount for lack of marketability, which was determined by utilizing the Chaffe and Finnerty Models with assumptions such as volatility, risk free rate, and expected dividend (Note 5).

(v) The Company measures the fair value of share purchase warrants attached to units, and the fair value of brokers warrants, by reference to the fair value of the equity instruments at the date at which they are granted. The Company values these warrants using the Black-Scholes Model and makes assumptions such as the expected life, volatility, risk free rate, and expected dividend yield. These assumptions are made based on the conditions prevalent on the date of issuance (Note 8).

Judgments

(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year (Note 1).

(ii) Determination of an entity's functional currency involves judgment taking into account the transactions, events, and conditions relevant to the entity. Determination of functional currency involves evaluating evidence about the primary economic environment in which the entity operations and is re-evaluated when facts and circumstances indicate that conditions have changed (Note 2).

(iii) Although the Company has taken steps to verify title to mineral properties that it currently has under option, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects (Note 6).

(iv) The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available (Note 6).

(v) The Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium (Note 8).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

New accounting standards and interpretations issued buy not yet adopted

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these consolidated financial statements. The following accounting standards and amendments are effective for future periods:

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2024. The Company does not expect material impact upon adoption of these amendment.

(ii) IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures ("MPMs") that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its consolidated financial statements.

Adoption of new accounting pronouncements

The Company adopted the following accounting standards during the year ended October 31, 2024:

(i) Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Adoption of new accounting standards, interpretations and amendments (continued)

(ii) Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. There was no significant impact to the consolidated financial statements as a result of the implementation of these amendments.

4. FINANCIALS INSTRUMENTS AND FINANCIAL RISKS

Fair value

The Company's financial instruments consist of cash, an investment, due from related party, accounts payable and accrued liabilities and convertible debentures. The Company's cash and the investment are classified at FVTPL and its due from related party, accounts payable and accrued liabilities and convertible debentures are carried at amortized cost.

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 of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. The fair value of the investment is determined based on Level 2 inputs. As at October 31, 2024 and 2023, the Company believes that the carrying values of its due from related party, accounts payable and accrued liabilities and convertible debentures approximate their fair values because of their nature and relatively short maturity dates or durations.

4. FINANCIALS INSTRUMENTS AND FINANCIAL RISKS (continued)

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The carrying value of this financial asset represents the Company's maximum exposure to credit risk. The Company manages its credit risk by maintaining its cash in a federally regulated financial institution in Canada.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as fair value through profit or loss, and cause fluctuations in the fair value of future cash flows for assets or liabilities measured at fair value. The Company is exposed to significant market risk on its investment due to the one year lock-up provision that may prevent the Company from realizing the current gains. The Company is also exposed to foreign exchange risk on its investment.

Foreign Exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. A significant change in the currency exchange rates between the US dollar and the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		October 31, 2024	October 31, 2023
Investments	USD$	**17,757,009**	-
Deferred tax liability	USD$	**3,430,584**	-

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of approximately $2,100,000 (2023 – $Nil) in income (loss) and comprehensive income (loss).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of its accounts payable and accrued liabilities and convertible debentures. As at October 31, 2024, the Company had a working capital of $39,925 (2023 – deficiency of $586,151).

The Company will manage its liquidity risk, by gaining access to funding at market rates through equity and debt markets. In the future, the Company may issue new shares, adjust its debt levels or mix between short-term and long-term borrowings.

(Expressed in Canadian Dollars)

5. INVESTMENT

The Company's 100% owned subsidiary, Bonanza Resources owned an interest in AleAnna Energy L.L.C. which owns 100% of AleAnna Resources L.L.C. ("AleAnna Energy"). AleAnna Energy is a natural gas resource company focusing on delivering critical natural supplies in Italy. During 2024, AleAnna Energy completed three separate strategic acquisitions of renewable gas assets.

Subsequent to the year end, on December 13, 2024, Swiftmerge Acquisition Corp. ("Swiftmerge"), a NASDAQ listed Special Purpose Acquisition Company, acquired all of the membership interests in AleAnna Energy L.L.C. by way of a merger with the resulting company named AleAnna, Inc. (NASDAQ: ANNA) ("AleAnna") (the "Merger").

Pursuant to the Merger, the former equity holders of AleAnna Energy, including the Company, exchanged 100% of their membership interests in AleAnna Energy for an aggregate of 65,098,476 shares of common stock of AleAnna, representing approximately 93.2% of the voting power of all outstanding common stock of AleAnna. The Company received a pro-rata portion of the 65,098,476 shares of common stock as consideration for its membership interests in AleAnna Energy, which was 1,969,882 common shares.

These securities have a trading restriction which expires on December 13, 2025. Due to the restrictions, the fair value of the securities were adjusted for a discount for lack of marketability, which was determined to be 15%. The Company had previously written the investment down to $Nil as it was unable to support its ownership interest. Furthermore, Bonanza Resources had temporarily been involuntarily dissolved due to inactivity (Note 2).

The following table provides a continuity of the Company's investment in AleAnna during the years ended October 31, 2024 and 2023:

	October 31, 2024	October 31, 2023
Carrying value, beginning of year	**$ -**	$ -
Change in fair value	**24,710,654**	-
Carrying value, end of year	**$ 24,710,654**	$ -

The Company used the trading price of AleAnna as of December 13, 2024 of USD $10.50 translated at a foreign exchange rate of 1.3916, to re-measure the investment. It also took subsequent price movement, as well as the closing events into consideration when estimating the discount rate to be used for the lack of marketability.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSET

Cowtrail Property, British Columbia

During the year ended October 31, 2023, the Company entered into an option agreement with Cariboo Rose Resources Ltd. (the "Vendor") to acquire a 60% interest in the Cowtrail Property located in British Columbia. During the year ended October 31, 2024, the agreement was amended to extend the due dates of the option payments, which have been reflected below.

The Company can earn a 60% interest in the property by making the following option payments:

Date	Cash ($)	Common shares cash equivalent (or cash in lieu of shares) ($)	Exploration expenditures(ii) ($)
On obtaining a trading symbol	-	20,000 (paid)	-
On or before December 19, 2023(i)	-	20,000 (issued 111,111 shares at a value of $22,222)	150,000 (incurred)
On or before December 19, 2024(i)	10,000 (paid subsequent to the year end)	20,000 (100,000 shares subsequently issued)	138,755 additional (incurred)
On or before December 19, 2025(i)	40,000	40,000	311,245 additional (to start by June 15, 2025)
On or before December 19, 2026(i)	50,000	50,000	500,000 additional
On or before December 19, 2027(i)	100,000	50,000	900,000 additional
Total	200,000	200,000	2,000,000

(i) the Vendor agreed to defer the issuance of shares until the earlier of: upon the Company becoming listed on the Canadian Securities Exchange or any other stock exchange or mutual agreement between the Company and the Vendor. The Company was listed on September 3, 2024.

(ii) On December 11, 2024, the Company signed an amending agreement to its option agreement with Cariboo Rose Resources to update the planned amount exploration expenditures at different milestones.

The Company will not earn the 60% in the property until all of the option payments are complete. The Company may, at its option, accelerate the exercise of the option at any time by completing the applicable option payments as set forth in the table above.

Upon completion of the option payments and having earned the 60% interest, the Company will enter into a joint venture agreement with the Vendor who owns the remaining 40% interest. The parties agree to pay their pro-rata share of exploration expenditures going forward, failing which their respective interest will be diluted. The Company will be the initial operator of the property.

The Vendor will retain a 2.5% net smelter return royalty if the Company earns an interest of 85% or more in the property. The royalty may be reduced to 1% by a single payment of $2,000,000 to the Vendor.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALAUTION ASSET (continued)

Cowtrail Property, British Columbia (continued)

	Cowtrail Property	Total
Balance, October 31, 2022	**$ -**	**$ -**
Exploration costs:		
Consulting	24,270	24,270
Fieldwork	29,588	29,588
Drilling	145,372	145,372
Travel	18,021	18,021
Current year exploration costs	217,251	217,251
Balance, October 31, 2023	**217,251**	**217,251**
Balance, October 31, 2023	**217,251**	**217,251**
Acquisition costs:		
Cash	20,000	20,000
Shares	22,222	22,222
Current year acquisition costs	42,222	42,222
Exploration costs:		
Consulting	2,520	2,520
Fieldwork	489	489
Current year exploration costs	3,009	3,009
Balance, October 31, 2024	**$ 262,482**	**$ 262,482**

During the year ended October 31, 2024, the Company expensed $Nil (2023 - $10,975) in costs incurred on the Cowtrail Property related to pre-acquisition expenditures.

7. CAPITAL MANAGEMENT

The Company defines the capital that it manages as its working capital and shareholders' equity (deficiency). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, optimize returns for its owners and to minimize its cost of capital. In meeting its objectives of managing capital, the Company may issue new shares, adjust its debt levels or the mix between short-term and long-term borrowings. There have been no changes to the Company's approach to managing its capital from the year ended October 31, 2023.

8. SHARE CAPITAL

Common Shares

The Company has authorized an unlimited number of common shares without par value.

The following shares have been issued:

	October 31, 2024		October 31, 2023	
	Number	**Amount**	Number	Amount
Balance	**29,832,395**	**$35,186,259**	22,554,618	$ 34,662,476

8. SHARE CAPITAL (continued)

Common Shares (continued)

During the year ended October 31, 2024, the Company:

i) On January 9, 2024, the Company completed a first tranche of private placement by issuing 2,000,000 units at a price of $0.15 per unit for gross proceeds of $300,000, of which $24,900 was received in year ended October 31, 2023. 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 a price of $0.15 per common share for a period of three years following the closing of the offering. Of the proceeds, $157,453 was allocated to the shares and $142,547 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $21,000 in finders' fees, issued 140,000 finders' warrants (with a fair value of $19,000) and paid other share issuance costs of $20,000. The finders' warrants have the same terms and conditions as the warrants in the offering.

ii) On January 25, 2024, the Company completed second tranche of private placement by issuing 5,166,666 units at a price of $0.15 per unit for gross proceeds of $775,000. 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 a price of $0.15 per common share for a period of three years following the closing of the offering. Of the proceeds, $404,108 was allocated to the shares and $370,892 was allocated to the warrants based on the relative fair value method.

iii) On September 25, 2024, the Company issued 111,111 common shares with a fair value of $22,222 pursuant to the acquisition of the Cowtrail Property (Note 6).

During the year ended October 31, 2023, the Company:

i) On December 30, 2022, the Company completed a flow-through private placement by issuing 2,000,000 flow-through units at a price of $0.10 per flow-through unit for gross proceeds $200,000. Each flow-through 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 a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $106,185 was allocated to the shares and $93,815 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $14,000 in finders' fees and issued 140,000 finders' warrants (with a fair value of $12,400). The finders' warrants have the same terms and conditions as the flow-through warrants in the offering.

ii) On December 30, 2022, the Company completed the first tranche of a non-flow-through private placement by issuing 2,900,000 units at a price of $0.10 per unit for gross proceeds of $290,000. 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 a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $153,973 was allocated to the shares and $136,027 was allocated to the warrants based on the relative fair value method.

   In connection with the financing, the Company paid $13,300 in finders' fees and issued 133,000 finders' warrants (with a fair value of $11,700). The finders' warrants have the same terms and conditions as the non-flow-through warrants in the offering.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Common Shares (continued)

iii) On January 5, 2023, the Company completed the second tranche the non-flow-through private placement by issuing 500,000 units at a price of $0.10 per unit for gross proceeds of $50,000. 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 a price of $0.10 per common share for a period of three years following the closing of the offering. Of the proceeds, $26,511 was allocated to the shares and $23,489 was allocated to the warrants based on the relative fair value method.

The Company did not pay any finders' fees in connection with the concurrent offering.

iv) On June 5, 2023, the Company settled $410,992 in accounts payable and accrued liabilities owed to insiders by issuing 4,109,244 units. Each unit consists of one common share and one whole purchase warrant. The warrants are exercisable into common shares at an exercise price of $0.10 for a period of three years. Of the amount settled, $217,789 was allocated to the shares and $193,133 was allocated to the warrants based on the relative fair value method.

Earnings per share

The following table provides a reconciliation between the number of basic and fully diluted shares outstanding for the years ended October 31, 2024 and 2023:

	October 31, 2024	October 31, 2023
Weighted daily average of common shares	**28,152,067**	19,210,709
Dilutive effect of convertible debt	**4,390,083**	-
Dilutive effect of warrants	**2,420,000**	-
Weighted average number of diluted shares	**34,962,150**	19,210,709

Stock options

The Company has established a stock option plan for directors, senior officers, employees, and consultants (the "2023 Plan"). Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the discounted market price policies of the relevant exchange. The 2023 Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units, performance share units and deferred share units to eligible persons. The 2023 Plan provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the 2023 Plan shall not exceed 20% of the Company's issued and outstanding common shares from time to time.

No stock options, restricted share units, performance share units, or deferred share units were granted or outstanding during the year ended October 31, 2024 and 2023.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

Warrants

	Number of warrants	Weighted average exercise price
Balance at October 31, 2022	-	$ -
Issued	9,782,224	0.10
Balance at October 31, 2023	9,782,224	0.10
Issued	7,306,666	0.15
Balance at October 31, 2024	**17,088,890**	**$ 0.12**

Number of warrants	Exercise price	Expiry date
2,000,000	$0.10	December 30, 2025
2,900,000	$0.10	December 30, 2025
140,000	$0.10	December 30, 2025
133,000	$0.10	December 30, 2025
500,000	$0.10	January 5, 2026
4,109,224	$0.10	June 5, 2026
2,000,000	$0.15	January 9, 2027
140,000	$0.15	January 9, 2027
5,166,666	$0.15	January 25, 2027
17,088,890		

As at October 31, 2024 the warrants outstanding had a weighted average exercise price of $0.12 and a weighted average life of 1.72 years.

The following weighted average assumptions were used for the Black-Scholes valuation of warrants granted under the relative fair value method and for the finders' warrants:

	October31, 2024	October 31, 2023
Risk-free interest rate	**3.80%**	3.82%
Exercise price	**$0.15**	$0.10
Expected life of warrants	**3.00 years**	3.00 years
Expected annualized volatility	**195%**	178%
Expected dividend rate	**-**	-

Volatility is determined based on comparable historical financial information.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel was as follows:

		October 31, 2024		October 31, 2023
Consulting fees	**$**	**150,000**	$	120,000
Accounting fees		**50,800**		70,000
Promotion and marketing		**-**		4,000
Rent		**24,000**		6,000
	$	**224,800**	$	200,000

As at October 31, 2024, $64,440 (2023 - $66,900) was owing to a director and the amounts were included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

As at October 31, 2024, $58,700 (2023 - $2,100) was owing from CEO were included in due from related party. The amount is non-interest bearing, unsecured and has no specific terms of repayment.

During the year ended October 31, 2023, the Company entered into an option agreement with a company owned by a Director of the Company, whereby the Company can earn up to a 60% interest in the Cowtrail Property (Note 6).

10. CONVERTIBLE DEBENTURES

On June 1, 2022, the Company closed a private placement offering of unsecured convertible debentures, pursuant to which it issued debentures in the aggregate principal amount of $170,000. The debentures are convertible into units of the Company, at the option of the holder, at price of $0.10 per unit. On conversion, each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of $0.10 for a period of one year from the date of grant.

The debentures bear interest at 8% per annum from the closing date of the agreements, payable upon the earlier of the maturity date or the date of any conversion thereof. The debentures were set to mature on June 1, 2023, however, the maturity date was amended to August 31, 2024 with the first amendment agreement and was further amended to August 31, 2025 with the second amendment agreement

On June 10, 2022, the Company closed a private placement offering of unsecured convertible debentures, pursuant to which it issued debentures in the aggregate principal amount of $30,000. The debentures will be convertible into units of the Company, at the option of the holder, at price of $0.10 per unit. On conversion, each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one additional share at an exercise price of $0.10 for a period of one year from the date of grant.

(Expressed in Canadian Dollars)

10. CONVERTIBLE DEBENTURES (continued)

The debentures bear interest at 8% per annum from the closing date of the agreements, payable upon the earlier of the maturity date or the date of any conversion thereof. The debentures were set to mature on June 10, 2023, however, the maturity date was amended as noted below.

During the year ended October 31, 2023, the Company amended the terms of the convertible debentures to extend the maturity dates from June 1, 2023 and June 10, 2023 to August 31, 2024. As consideration for the amendment, the aggregated principal amount was increased by $20,000, to $220,000. The amendment was accounted for as a modification of the debt whereby, the carrying amount was recalculated using the net present value of the revised cash flows, discounted using the original effective interest rate. The difference of $9,065 represented a loss on thpe debt modification and was recognized in financing costs in the statement of income (loss) and comprehensive income (loss).

During the year ended October 31, 2024, the Company amended the terms of the convertible debentures to further extend the maturity dates from August 31, 2024 to August 31, 2025. As consideration for the amendment, the aggregated principal amount was increased by $22,000, from $220,000 to $242,000. The amendment was accounted for as a modification of the debt whereby, the carrying amount was recalculated using the net present value of the revised cash flows, discounted using the original effective interest rate. The difference of $5,182 represented a loss on the debt modification and was recognized in financing costs in the statement of income (loss) and comprehensive income (loss).

There were no finders' fees or transaction fees paid in connection with these debentures.

	Liability	*Equity*	*Total*
Balance, October 31, 2022	$ 210,447	$ 5,600	$ 216,047
Modifications due to amendment	9,065	-	9,065
Finance costs	17,252	-	17,252
Balance, October 31, 2023	236,764	5,600	242,364
Modifications due to amendment	5,182	-	5,182
Finance costs	30,381	-	30,381
Balance, October 31, 2024	**$ 272,327**	**$ 5,600**	**$ 277,927**

11. SEGMENT INFORMATION

The Company operates in one business segment, the exploration of mineral properties. The Company conducts its operations in Canada and the USA. Geographic information is as follows:

October 31, 2024	**Canada ($)**	**USA ($)**	**Total ($)**
Total assets	717,153	24,710,654	25,427,807
Income (loss) for the year	(399,137)	19,975,776	19,576,639

October 31, 2023	**Canada ($)**	**USA ($)**	**Total ($)**
Total assets	277,125	-	277,125
Loss for the year	448,591	-	448,591

(Expressed in Canadian Dollars)

12. INCOME TAXES

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

		October 31, 2024		*October 31, 2023*
Income (loss) for the year before income taxes	**$**	**24,350,639**	$	(448,591)
Combined statutory tax rate at 20.9% (2023 - 27%)		**5,090,000**		(121,000)
Change in foreign exchange rates and other		**-**		(14,000)
Permanent differences		**1,000**		
Renunciation of flow-through expenditures		**-**		54,000
Share issuance cost		**(11,000)**		-
Adjustment to prior years provision versus statutory tax returns		**(424,000)**		-
Change in unrecognized deductible temporary differences		**118,000**		81,000
Deferred income tax expense	**$**	**4,774,000**	$	-

The significant components of the Company's deferred tax assets are as follows:

		October 31, 2024		*October 31, 2023*
Deferred tax assets (liabilities)				
Non-capital loss carry forwards	**$**	**1,589,000**	$	1,486,000
Exploration and evaluation assets		**(44,000)**		(44,000)
Equipment		**11,000**		11,000
Share issuance costs		**13,000**		6,000
Investments		**(4,766,000)**		-
		(3,197,000)		1,459,000
Unrecognized deferred income tax assets		**(1,577,000)**		(1,459,000)
Total deferred income tax liability	**$**	**(4,774,000)**	$	-

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2024	**Expiry dates**	2023	Expiry dates
Temporary differences	**$**		$	
Non-capital loss carry forwards	**5,874,000**	**2027-2044**	5,503,000	2027-2043
Exploration and evaluation assets	**(162,000)**	**No expiry date**	(162,000)	No expiry date
Equipment	**41,000**	**No expiry date**	41,000	No expiry date
Share issuance costs	**49,000**	**2025-2028**	22,000	2024-2027
Investments	**(22,693,000)**	**-**	-	No expiry date

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

13. SUBSEQUENT EVENTS

Subsequent to October 31, 2024, the Company:

i) Granted 2,000,000 stock options exercisable at a price of $0.25 until January 15, 2028 to certain directors and officers.