Spark Energy Minerals Inc.

Condensed Consolidated Interim Financial Statements

Six Months Ended January 31, 2025

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements for Spark Energy Minerals Inc. (the "Company") have been prepared by management in accordance with International Financing Reporting Standards ("IFRS"). These condensed consolidated interim financial statements, which are the responsibility of management, are unaudited and have not been reviewed by the Company's auditors. The Company's Audit Committee and Board of Directors have reviewed and approved these condensed consolidated interim financial statements. In accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators, the Company's independent auditors have not performed a review of these condensed consolidated interim financial statements.

Spark Energy Minerals Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Six months ended January 31, 2025 and July 31, 2024

	Note	**January 31, 2025** **$**	July 31, 2024 $
Assets			
Current assets			
Cash		5,370	200,587
Marketable securities	4	623	1,328
Sales tax receivable		91,202	74,311
Prepaid expenses		464,605	11,471
		561,800	287,697
Non-current assets			
Exploration and evaluation assets	5	9,836,466	6,532,734
Total assets		**10,398,266**	6,820,431
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		1,353,102	1,417,235
Due to related parties	8	160,294	40,330
Total liabilities		**1,513,396**	1,457,565
Shareholders' equity			
Share capital	6	30,290,552	25,905,775
Reserves	6	3,323,308	3,173,259
Contributed surplus	6	7,467,213	7,467,213
Share subscriptions received	6	45,000	120,000
Share subscriptions receivable	6	-	(25,000)
Deficit		(32,241,203)	(31,278,381)
Total shareholders' equity		**8,884,870**	5,362,866
Total liabilities and shareholders' equity		**10,398,266**	6,820,431

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

"Eugene Hodgson" **Director**

"Michael Stier" **Director**

Spark Energy Minerals Inc.

Condensed Consolidated Statements of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Six months ended January 31, 2025 and January 31, 2024

		Three months ended		Six months ended	
	Note	**January 31, 2025 $**	January 31, 2024 $	**January 31, 2025 $**	January 31, 2024 $
Expenses					
Consulting and management fees	8	61,000	37,500	129,948	75,000
Insurance		3,863		5,795	-
Investor relations	8	201,500	6,145	408,519	8,367
Meals and entertainment		-	-	-	2,627
Office facilities and administration		6,144	29,868	33,044	58,384
Professional fees	8	89,427	69,083	156,768	129,202
Share-based compensation	6,8	-	273,051	326,457	273,051
Transfer agent and filing fees		20,192	39,037	32,489	48,381
Loss before other income (expense)		**(382,126)**	(454,684)	**(1,093,020)**	(595,012)
Other income (expense)					
Loss on foreign exchange		(2,989)	-	(15,763)	-
Gain on settlement of debt	6	-	-	146,667	-
Interest income		-	34,937	-	69,873
Unrealized gain (loss) on marketable securities	4	(706)	-	(706)	(1,246)
Writeoff of accounts payable	4	-	-	-	25,454
Total other income (expense)		**(706)**	34,937	**130,198**	94,081
Net loss and comprehensive loss for the period		**(385,821)**	(419,747)	**(962,822)**	(500,931)
Loss per share - basic and diluted		**(0.01)**	(0.02)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**106,900,678**	48,702,814	**97,925,318**	43,331,814

Spark Energy Minerals Inc.

Condensed Consolidated Statements of Changes in Shareholder's Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Six months ended January 31, 2025 and January 31, 2024

	Number of shares #	Share capital $	Reserves $	Contributed surplus $	Share subscriptions received $	Share subscriptions receivable $	Deficit $	Total shareholders' equity $
Balance, July 31, 2023	28,624,069	22,433,556	1,341,938	7,467,213	177,415	(41,020)	(25,635,461)	5,743,641
Private placement - non-flow-through units	4,206,668	315,500	-	-	-	(166,300)	-	149,200
Common shares issued - exploration and evaluation assets	20,000,200	1,802,516	-	-	-	-	-	1,802,516
Warrants issued - exploration and evaluation assets	-	-	713,168	-	-	-	-	713,168
Share issuance costs	-	(1,575)	-	-	-	-	-	(1,575)
Share-based compensation	-	-	273,051	-	-	-	-	273,051
Share subscriptions received	266,800	100,050	-	-	(39,800)	-	-	60,250
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(500,931)	(500,931)
Balance, January 31, 2024	53,097,737	24,650,047	2,328,157	7,467,213	137,615	(207,320)	(26,136,392)	8,239,320
Balance, July 31, 2024	73,816,075	25,905,775	3,173,259	7,467,213	95,000	-	(31,278,381)	5,362,866
Private placement - non-flow-through units	6,043,332	531,500	-	-	-	-	-	531,500
Common shares issued - exploration and evaluation assets	3,666,667	403,333	-	-	-	-	-	403,333
Common shares issued - acquisition of Latam	20,000,000	2,600,000	-	-	-	-	-	2,600,000
Share issue costs	-	(15,590)	-	-	-	-	-	(15,590)
Share-based compensation	-	-	326,457	-	-	-	-	326,457
Share purchase warrants exercised	3,904,999	522,125	(34,000)	-	-	-	-	488,125
Stock options exercised	2,010,000	343,408	(142,408)	-	-	-	-	201,000
Re-allocated on cancellation of options	-	-	-	-	-	-	-	-
Share subscriptions received	-	-	-	-	(50,000)	-	-	(50,000)
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(962,822)	(962,822)
Balance, January 31, 2025	**109,441,073**	**30,290,551**	**3,323,308**	**7,467,213**	**45,000**	-	**(32,241,203)**	**8,884,869**

On August 3, 2023, the Company completed a consolidation of its common shares on a basis of one post-consolidated common shares for every ten pre-consolidated common shares. The Company has restated all number of share and per share information for the effect of this consolidation.

On November 10, 2023, the Company completed a forward split of its common shares on a basis of two post-split common shares for every pre-consolidated common share. The Company has restated all number of share and per share information for the effect of this split.

Spark Energy Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Six months ended January 31, 2025 and January 31, 2024

		2025	2024
		$	$
Operating activities			
Net loss for the period		(962,822)	(500,931)
Items not involving cash:			
Interest income		-	(69,873)
Gain on settlement of debt		(146,667)	-
Share-based compensation		326,457	273,051
Unrealized loss (gain) on marketable securities		705	1,246
Change in non-cash working capital items:			
Sales tax receivable		(16,891)	(10,672)
Prepaid expenses		(453,134)	6,900
Accounts payable and accrued liabilities		(18,192)	106,571
Due to related parties		91,515	53,595
Net cash used in operating activities		**(1,179,029)**	(140,113)
Investing activities			
Exploration and evaluation asset expenditures		(171,224)	-
Net cash used in investing activities		**(171,224)**	-
Financing activities			
Proceeds from issuance of units		531,500	185,125
Proceeds from exercise of share purchase warrants		488,125	-
Proceeds from exercise of stock options		201,000	-
Share subscriptions received		(50,000)	22,750
Share issuance costs		(15,589)	-
Net cash provided by financing activities		**1,155,036**	207,875
Net increase (decrease) in cash		**(195,217)**	67,762
Cash, beginning of period		**200,587**	16,633
Cash, end of period		**5,370**	84,395
Supplemental cash flow information	9		

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

1. Nature of operations and going concern

Spark Energy Minerals Inc. (formerly St. Anthony Gold Corp.) (the "Company") was incorporated on April 19, 2000, under the laws of the province of British Columbia, Canada. Effective December 23, 2022, the Company changed its name to Spark Energy Minerals Inc. The Company's shares are traded on the Canadian Securities Exchange (the "CSE"). Effective June 10, 2024, the Company's CSE trading symbol changed from "EMIN" to "SPRK". The Company is in the business of exploration and evaluation of mineral property interests in Brazil.
The head office, principal address and records office of the Company are located at 704 - 595 Howe Street, Vancouver, BC, V6C 2T5.

The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company has been exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

These condensed consolidated interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at January 31, 2025, the Company had a working capital deficit of $951,596 (July 31, 2024 – $1,169,868) and an accumulated deficit of $32,241,203 (July 31, 2024 - $31,278,381). The Company will continue to seek the funding necessary to enable it to carry on as a going concern, but management cannot provide assurance that the Company will be able to raise additional debt and/or equity capital or conclude a corporate transaction. If the Company is unable to raise additional funds in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company will continue to seek cost-saving measures, project partners, merger/acquisition or financing opportunities where available. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material accounting policy information

(a) Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended July 31, 2024, and do not include all the information required for full annual consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements. These condensed consolidated interim financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

2. Material accounting policy information (continued)

(b) **Standards issued but not yet effective**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after November 1, 2024. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and therefore have been excluded from discussion within these significant accounting policies.

(c) **Principles of consolidation**

Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

These financial statements include the accounts of the Company and its controlled subsidiaries as follows:

Name	Status	Ownership	Place of Incorporation
Spark Energy Minerais DO Brasil LTDA	Active	100%	Brazil
Latam Energy Acquisition Corp.	Active	100%	BC, Canada
Bulletproof Resources Corp.	Active	100%	BC, Canada
1385119 B.C. Ltd.	Inactive	100%	BC, Canada

All intercompany balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

(d) **Financial instruments**

Non-derivative financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Measurement and classification of financial assets is dependent on the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated specifically as hedges. The Company classifies its cash at FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income following the derecognition of the investment. The Company does not have any financial assets within this category.

2. Material accounting policy information (continued)

(d) **Financial instruments** (continued)

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. Gains and losses on derecognition of financial assets classified amortized cost are recognized in profit or loss. The Company does not have any financial assets within this category.

Financial liabilities

Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The Company's accounts payable and accrued liabilities and due to related parties are classified in this category.

Derivative instruments

Derivative instruments, including embedded derivatives in executory contracts or financial liability contracts, are classified as at FVTPL and, accordingly, are recorded in the consolidated statement of financial position at fair value. Unrealized gains and losses on derivatives not designated in a hedging relationship are recorded as part of other operating income (expense) or non-operating income (expense) in profit depending on the nature of the derivative. Fair values for derivative instruments are determined using inputs based on market conditions existing at the statement of financial position date or settlement date of the derivative. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract. Accounts receivable related to provisionally priced sales are measured at fair value with changes recognized in the consolidated statement of loss and comprehensive loss as a component of revenue.

(e) **Foreign currency translation**

The financial statements of the Company are prepared in its functional currency, determined on the basis of the primary economic environment in which the entity operates. Given that operations are in Canada, the presentation and functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the consolidated statements of loss and comprehensive loss for the period in which they arise.

(f) **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, deposits held with banks, and other highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty.

2. Material accounting policy information (continued)

(g) **Exploration and evaluation assets**

Title to exploration and evaluation assets including mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing historical characteristic of many properties.

The Company accounts for exploration and evaluation assets in accordance with IFRS 6 – Exploration for and evaluation of mineral properties ("IFRS 6"). Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation are recognized and capitalized, in addition to the acquisition costs. These expenditures include but are not limited to acquiring licenses, researching and analyzing existing exploration data, conducting geological studies, exploration drilling and sampling and payments made to contractors and consultants in connection with the exploration and evaluation of the property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Acquisition costs incurred in obtaining legal right to explore a mineral property are deferred until the legal right is granted and thereon reclassified to mineral properties. Transaction costs incurred in acquiring an asset are deferred until the transaction is completed and then included in the purchase price of the asset acquired.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(h) **Environmental rehabilitation**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs, of any significance, related to its exploration and evaluation assets.

(i) **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 benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Material accounting policy information (continued)

(j) **Impairment of assets**

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of fair value less costs of disposal 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the consolidated statement of loss and comprehensive loss.

(k) **Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share purchase warrants issued on a standalone basis are recognized at the fair value using the Black-Scholes option pricing model at the date of issue. The value is initially recorded as a part of reserves in equity at the recognized fair value. Upon exercise of the share purchase warrants, the previously recognized fair value of the warrants exercised is reallocated to share capital from reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

(l) **Flow-through share private placements**

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares at the date the private placement is announced. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability.

2. Material accounting policy information (continued)

(l) **Flow-through share private placements** (continued)

The loss of the tax benefit is recorded as a deferred income tax liability and eliminates the original flow-through share premium liability, with the difference, if any, recorded as a deferred income tax expense. In instances where the Company has unused temporary income tax benefits, or unused non-capital losses or tax credits available to offset the deferred income tax liability, the realization of these income tax benefits is shown as a recovery in profit or loss in the period the deferred income tax liability is recorded.

The flow-through share premium liability is reduced on a pro-rata basis as the required exploration expenditures are completed and renounced to the flow-through shareholders.

(m) **Income taxes**

Income tax reported in the consolidated statement of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

(n) **Share-based compensation**

The Company grants stock options to directors, officers, employees, and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the 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 that 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 corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black–Scholes option pricing model. 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.

Share purchase warrants issued on a standalone basis are recognized at the fair value using the Black-Scholes option pricing model at the date of issue. The value is initially recorded as a part of reserves in equity at the recognized fair value. Upon exercise of the share purchase warrants, the previously recognized fair value of the warrants exercised is reallocated to share capital from reserves. The proceeds generated from the payment of the exercise price are also allocated to share capital.

2. **Material accounting policy information** (continued)

(o) **Loss per share**

The Company presents basic and diluted loss per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

(p) **Use of estimates and critical judgments**

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

Recoverability of Loan Receivable

The recoverability of the loan receivable is assessed by management at the reporting date by applying expected credit loss impairment model. The model reflects historical loss experiences, facts and circumstances that have existed during the period, informed credit assessment, and consideration of forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

Share-based payments

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Deferred income taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of current and deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

Judgments

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. If the acquisition of an asset does not constitute a business as defined in IFRS 3, Business Combinations, the acquirer identifies and recognizes the individual identifiable assets acquired and liabilities assumed. The cost is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(Expressed in Canadian Dollars)

2. Material accounting policy information (continued)

(p) **Use of estimates and critical judgments** (continued)

Judgments (continued)

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Acquisitions

Bulletproof Resources Corp.

On October 20, 2023, the Company acquired Bulletproof Resources Corp. ("Bulletproof") pursuant to a share exchange agreement. Bulletproof is a corporation existing under the laws of the province of British Columbia and the beneficial owner of an undivided 100% interest in 12 mineral tenements in Rio Grande Do Norte State, Brazil, subject to a 1% net smelter return royalty.

The Company issued 11,200,200 units in exchange for all of the issued and outstanding common shares of Bulletproof. Each unit consisted of one common share and one share purchase warrant exercisable at $0.075 per common share expiring on October 20, 2026. (Note 6)

This acquisition has been accounted for as an acquisition of assets as Bulletproof did not meet the definition of a business under IFRS 3, Business Combinations.

Purchase price	**$**
Fair value of common shares	880,016
Fair value of share purchase warrants	713,168
	1,593,184
Net assets acquired:	
Exploration and evaluation assets (Note 5)	1,624,255
Accounts payable and accrued liabilities	(31,071)
	1,593,184

Latam Energy Acquisition Corp.

On September 23, 2024, the Company acquired Latam Energy Acquisition Corp. ("Latam") pursuant to a share exchange agreement. Latam is a corporation existing under the laws of the province of British Columbia and the beneficial owner of an undivided 100% interest in the Jaima and Vertex projects consisting of 19 mineral tenements in Minas Gerais state, Brazil.

The Company issued 20,000,000 common shares in exchange for all of the issued and outstanding common shares of Latam (note 6).

(Expressed in Canadian Dollars)

3. Acquisitions (continued)

Latam Energy Acquisition Corp. (continued)

This acquisition has been accounted for as an acquisition of assets as Latam did not meet the definition of a business under IFRS 3, Business Combinations.

Purchase price	**$**
Fair value of common shares	2,600,000
Net assets acquired:	
Exploration and evaluation assets (Note 5)	2,586,820
Current assets	13,180
	2,600,000

4. Marketable securities

	$
Balance, July 31, 2024	1,328
Unrealized loss	(706)
Balance,January 31, 2025	**622**

Marketable securities consist of 4,150 shares of Renegade Gold Inc. (formerly Trillium Gold Mines Inc.) received in connection with the sale of the Panama Lake Gold Project during the year ended July 31, 2022.

5. Exploration and evaluation assets

Changes in the project carrying amounts for the six months ended January 31, 2025, and 2024, are summarized as follows:

	Bahia Lithium and Goas Rare Earth Elements Project $	Lithium Valley Lithium Project $	Nova Energia Lithium Project $	CE Property Lithium Project $	RN Property Lithium Project $	Tristar Lithium Project $	Joaima Lithium Project $	Vertex Lithium Project $	Total $
Balance, July 31, 2023	2,701,708	1,300,000	697,769	-	-	-	-	-	4,699,477
Acquisition (note 3)	-	-	-	922,500	1,594,838	-	-	-	2,517,338
Balance, January 31, 2024	2,701,708	1,300,000	697,769	922,500	1,594,838	-	-	-	7,216,815
Balance, July 31, 2024	-	1,373,992	758,532	940,882	1,652,150	1,807,178	-	-	6,532,734
Acquisition (note 3)	-	-	-	150,000	-	400,000	1,502,979	1,083,841	3,136,820
Administration	-	7,596	-	-	-	-	-	-	7,596
Geologist and consulting	-	-	187,745	1,520	1,520	-	-	-	190,785
	-	1,381,588	946,277	1,092,402	1,653,670	2,207,178	1,502,979	1,083,841	9,867,935
Foreign exchange movement	-	(4,406)	(3,018)	(3,484)	(5,274)	(7,039)	(4,793)	(3,456)	(31,469)
Balance, January 31, 2025	**-**	**1,377,182**	**943,259**	**1,088,918**	**1,648,396**	**2,200,139**	**1,498,186**	**1,080,385**	**9,836,466**

Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project

On December 19, 2022, the Company entered into a mineral claims purchase agreement with Foxfire Metals Pty. Ltd. ("Foxfire") to acquire a 75% interest in certain mining claims and associated rights of Foxfire's Minas Gerais and Bahia Lithium Project in the Brazilian states of Minas Gerais and Bahia and Foxfire's Goas Rare Earth Elements Project in the Brazilian state of Goas.

To acquire the 75% interest the Company shall:

- Pay $250,000 (paid);
- Issue 4,233,000 common shares (issued) (Note 6);
- Maintain the existing net smelter and gross sales royalties totaling 2% held by the original vendors remains, with a buyback provision of 50% for $1,000,000; and
- Fully fund all maintenance and operations until such time as a bankable feasibility study has been completed.

5. Exploration and evaluation assets (continued)

Minas Gerais and Bahia Lithium Project and Goas Rare Earth Elements Project (continued)

The Company and Foxfire are to agree to each annual exploration program, which shall be no less than $1,000,000 in each of the first two years.

Each party has the first right of refusal in relation to the sale or disposal of the other party's interest in the project.

On September 19, 2023, the Company and Foxfire entered into an amended Mineral Rights Joint Venture Agreement (the "Joint Venture") which sets out the following terms:

- The Joint Venture interests are 75% for the Company and 25% for Foxfire;
- The manager of the Joint Venture will be Foxfire;
- The manager will provide a work program and budget prior to January 1, 2024, for the quarter ending March 31, 2024, in respect of which the majority of the funds will be allocated to exploration for lithium on the Bahia licenses with budgeted expenditure of a minimum of $250,000;
  - The manager will incur a minimum of $1,000,000 on Joint Venture expenditures between December 19, 2022, and December 18, 2024 and a further $1,000,000 between December 19, 2024, and December 8, 2025; and
- The Company must pay the manager the prescribed amounts set out below:
  - $250,000 on or before March 31, 2024 to facilitate exploration on the Bahia licenses;
  - $100,000 on or before June 1, 2024 to facilitate exploration on the Goas licenses and one of the Minas Gerais licenses; and
  - $100,000 on or before October 1, 2024 to facilitate exploration on one of the Minas Gerais licenses.

The Company did not make the scheduled payments. As a result, the Company recognized an impairment of $2,701,708 during the year ended July 31, 2024. Effective August 8, 2024, the agreement was officially terminated and the Company transferred its Joint Venture interest to Foxfire for $nil consideration, and the parties mutually released each other from all future obligations relating to the Joint Venture. As a result , the Company wrote off accounts payable of $17,969 owed to Foxfire against the impairment loss.

Lithium Valley Lithium Project

On February 1, 2023, the Company entered into a mineral claims purchase agreement with Talisman Venture Partners Ltd. to acquire a 100% interest in 12 mineral tenements located in Minas Gerais, Brazil. The vendor retained a 1% net smelter return ("NSR"). The Company can purchase the NSR from the vendor at any time for $1,000,000. The Company paid $300,000 and issued 2,000,000 common shares (Note 6). The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 during the first year of the agreement. On November 23, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

On April 23, 2023 (as amended on December 6, 2023), the Company entered into a mineral claims purchase agreement with International Metals Mining Corp. (formerly "Lithium Plus Mining Corp.") ("IMM"), pursuant to which IMM has the right and option to acquire up to a 65% ownership interest in the 12 mineral tenements. Pursuant to the terms of the agreement and in order to complete the transaction, IMM shall:

- Pay the Company $100,000 on or before December 23; 2025;
- Pay the Company an additional $500,000 on or before April 23, 2025;
- Commit to and conduct an exploration work program incurring at least $250,000 in eligible expenditures by April 23, 2025; and
- Commit to and conduct an exploration work program incurring at least $1,000,000 in eligible expenditures by April 23, 2026.

On May 9, 2024, IMM terminated the mineral property option agreement.

5. Exploration and evaluation assets (continued)

Nova Energia Lithium Project

On March 9, 2023, the Company entered into a mineral claims purchase agreement with Talisman pursuant to which the Company acquired a 100% ownership interest in 6 mineral tenements located in Minas Gerais, Brazil. The vendor retained a 1% NSR. The Company can purchase the 1% NSR from the vendor at any time for $1,000,000. The Company paid a total of $100,000 and issued 2,000,000 units. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.75 per common share expiring on March 28, 2025 (repriced to $0.125 per common share on September 19, 2023, pursuant to which, the Company recognized an increase in acquisition cost of $49,382 during the year ended July 31, 2024) (Note 6). The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before March 9, 2024. On November 15, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

CE Property Lithium Project

On August 10, 2023, the Company entered into a mining claims purchase agreement with Talisman to acquire a 100% ownership interest in 9 mineral tenements (the “CE property”), located in Ceara state, Brazil. Pursuant to the terms of the agreement, the Company is to pay $150,000 on or before July 31, 2025 and issued 9,000,000 common shares (Note 6). Talisman retains a 1% NSR. The Company can purchase one half of the NSR at any time for $1,000,000. The Company agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before August 10, 2024. On November 21, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

RN Property Lithium Project

On October 10, 2023, the Company entered into a securities exchange agreement to acquire Bulletproof, which has an undivided 100% interest in 12 mineral tenements located in Rio Grande Do Norte state, Brazil, (the “RN property”), subject to a 1% NSR retained by Talisman (Note 3). Bulletproof can purchase one half of the 1% NSR at anytime for $1,000,000. Bulletproof agreed to incur expenditures on or with respect to the property in the aggregate amount of no less than $100,000 on or before September 5, 2024. On November 21, 2024, Talisman waived the requirement to incur the $100,000 in expenditures on the property.

Tristar Property Lithium Project

On February 28, 2024 (as amended on August 7, 2024), the Company entered into a mineral claims purchase agreement with Tristar Energy Corp. pursuant to which the Company acquired the option to acquire a 100% ownership interest in 23 mineral tenements located in Minas Gerais state, Brazil (the “Tristar property”). Pursuant to the terms of the agreement the Company is to pay $400,000 on or before August 7, 2025, provided that the Company pays $50,000 of this amount on or before October 26, 2024 and issued 15,000,000 units. Each unit consisted of one common share and one share purchase warrant exercisable at $0.15 per common share expiring on March 15, 2026 (Note 6). Talisman retains a 1% NSR. The Company has the right to purchase one-half of the 1% NSR at any time for $1,000,000.

Joaima and Vertex Lithium Projects

On September 23, 2024, the Company entered into a securities exchange agreement to acquire Latam Energy Acquisition Corp. (“Latam”), which has an undivided 100% interest in 20 mineral tenements comprised of the Joaima and Vertex projects located in Minas Gerais state, Brazil. The Company issued 20,000,000 common shares in exchange for all of the issued and outstanding common shares of Latam.

6. Share capital

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

Share transactions during the six months ended January 31, 2025:

(a) As at January 31, 2025, the Company had share subscriptions received of $45,000, which relates to the February 22, 2023, private placement.

(b) On November 8, 2024, the Company issued 1,043,333 units at a price of $0.15 per unit for gross proceeds of $156,500. An amount of $47,000 of the total represented debt settlements by the company of debt incurred under consulting and service agreements. Each unit consisted of one common share and one share purchase warrant exercisable at $0.30 per common share expiring on November 8, 2026. The Company paid finders' fees of $10,000.

(c) On October 16, 2024, the Company issued 3,666,667 common shares to settle $550,000 owing for the acquisitions of the CE Property and Tristar Property (Note 5).

(d) On September 23, 2024, the Company completed the acquisition of Latam (note 3) pursuant to a securities exchange agreement dated September 10, 2024. The Company issued 20,000,000 common shares to the shareholders of Latam for all of the issued and outstanding shares of Latam. Through this transaction, the Company has acquired the rights to the Joaima and Vertex projects located in Minas Gerais, Brazil, which consist of 12 and 7 lithium tenements, respectively, and 1 gold tenement.

(e) On August 8, 2024, the Company issued 4,999,999 units at a price of $0.075 per unit for proceeds of $375,000, of which $75,000 was included in share subscriptions received as at July 31, 2024. Each unit consisted of one common share and one share purchase warrant exercisable at $0.125 per common share expiring on August 8, 2026. The Company may accelerate the expiry date of the warrants if the shares trade at $0.20 or more for a period of 10 days, including days where no trading occurs.

Share transactions during the six months ended January 31, 2024:

(f) On January 31, 2024, the Company issued 4,206,668 units at a price of $0.075 per unit for gross proceeds of $315,500 ($130,250 remains outstanding as share subscriptions receivable as at January 31, 2024). Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.12 per common share expiring on January 31, 2026. No value was allocated to the warrant component of the units issued after applying the residual method. The Company paid finders' fees of $1,575.

(g) On January 4, 2024, the Company issued 266,800 units, at a price of $0.375 per unit, intended to be part of the Company's private placement that closed on February 22, 2023, but was overlooked due to a lack of communication between the Company and a brokerage house. Each unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at $0.75 per common share expiring on April 30, 2025. No value was allocated to the warrant component of the units issued after applying the residual method.

(h) On October 20, 2023, the Company issued 11,000,200 units with a fair value of $1,593,184 pursuant to a securities exchange agreement to acquire all the issued and outstanding shares of Bulletproof (Notes 3 and 5). Each unit consisted of one common share and one share purchase warrant exercisable at $0.075 per common share expiring on October 20, 2026. The warrants issued had a fair value of $713,168 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, volatility of 145%, risk-free rate of 4.66%, and no expected dividends.

(i) On September 19, 2023, the Company repriced the 2,000,000 warrants issued on March 28, 2023, from an exercise price of $0.75 per common share to $0.125 per common share. As a result, the Company recognized the incremental share-based compensation amount of $49,382 in warrant reserves with a corresponding increase in the Nova Energia property acquisition costs (Note 5).

(Expressed in Canadian Dollars)

6. Share capital (continued)

(j) On August 28, 2023, the Company issued 9,000,000 common shares with a fair value of $922,500 pursuant to a mineral claims purchase agreement to acquire a 100% interest in 9 mineral tenements, known as the CE property, located in Ceara state, Brazil (Note 5).

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of 5 years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the CSE on the trading day immediately before the date of grant, less the discount permitted. The options vest at the discretion of the Board of Directors.

A summary of the status of the Company's stock options as at January 31, 2025, and July 31, 2024, and changes during the period/year then ended is as follows:

	January 31, 2025		,July 31, 2024	
	Options #	Exercise price $	Options #	Exercise price $
Balance, beginning of period/year	6,625,607	0.12	880,000	0.50
Granted	3,246,000	0.12	8,000,607	0.10
Exercised	(2,010,000)	0.10	-	-
Cancelled/forfeited	(400,000)	0.50	(2,255,000)	0.19
Balance, end of period/year	**7,461,607**	**0.11**	6,625,607	0.12

As at January 31, 2025, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
30,000	30,000	0.10	0.66	September 27, 2025
770,000	770,000	0.10	0.80	November 17, 2025
1,146,000	1,146,000	0.10	2.57	August 26, 2027
2,000,000	2,000,000	0.13	2.67	September 30, 2027
1,500,000	1,500,000	0.10	4.21	April 15, 2029
2,015,607	2,015,607	0.10	4.31	May 23, 2029
7,461,607	**7,461,607**	**0.11**	**3.20**	

On September 30, 2024, the Company granted 2,000,000 stock options exercisable at $0.13 per common share expiring on September 30, 2027, to the Chief Executive Officer of the Company. The options granted had a fair value of $252,934 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, volatility of 156%, risk-free rate of 2.84%, and no expected dividends.

On August 26, 2024, the Company granted 1,216,000 stock options exercisable at $0.10 per common share expiring on August 26, 2027, to officers, directors, and consultants of the Company. The options granted had a fair value of $73,523 using the Black-Scholes option pricing model with the following assumptions: expected life of 3 years, volatility of 156%, risk-free rate of 3.15%, and no expected dividends.

(Expressed in Canadian Dollars)

6. Share capital (continued)

Stock options (continued)

On August 26, 2024, the Company granted 30,000 stock options exercisable at $0.10 per common share expiring on September 27, 2025, to a former director of the Company.

On May 23, 2024, the Company granted 2,440,607 stock options to officers, directors, and consultants. The stock options vest immediately upon grant and are exercisable at $0.10 per common share expiring on May 23, 2029. The options granted had a fair value of $108,179 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, volatility of 152%, risk-free rate of 3.66%, and no expected dividends.

On April 15, 2024, the Company granted 1,700,000 stock options to officers, directors, and consultants. The stock options vest immediately upon grant and are exercisable at $0.10 per common share expiring on April 15, 2029. The options granted had a fair value of $131,862 using the Black-Scholes option pricing model with the following assumptions: expected life of 5 years, volatility of 152%, risk-free rate of 3.77%, and no expected dividends.

The total share-based payment expense for the six months ended January 31, 2025, was $326,457 (six months ended January 31, 2024 – $273,051). During the six months ended January 31, 2025, the weighted average grant date fair value of stock options granted was $0.10 per option (year ended July 31, 2024 - $0.10).

During the six months ended January 31, 2025, a total of 400,000 options were cancelled. As a result, the original share-based compensation expense of $143,146 was reallocated from reserves to deficit during the Six months ended January 31, 2025.

During the year ended July 31, 2024, a total of 2,255,000 options were cancelled. As a result, the original share-based compensation expense of $315,039 was reallocated from reserves to deficit during the year ended July 31, 2024.

Share purchase warrants

As an incentive to complete private placements, the Company may issue units which consist of common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to private placement units.

A summary of the status of the Company's warrants as at January 31, 2025, and July 31, 2024, and changes during the period/year then ended is as follows:

	Six months ended January 31, 2025		Year ended July 31, 2024	
	Warrants #	Exercise price $	Warrants #	Exercise price $
Balance, beginning of period/year	50,341,970	0.19	17,910,725	0.62
Issued	6,043,332	0.160	36,192,001	0.12
Exercised	(3,904,999)	0.130	-	-
Expired	(9,865,486)	0.25	(3,760,756)	1.31
Balance, end of period/year	**42,614,817**	**0.160**	50,341,970	0.19

(Expressed in Canadian Dollars)

6. Share capital (continued)

Share purchase warrants (continued)

As at January 31, 2025, the Company had warrants outstanding and exercisable as follows:

Warrants outstanding #	Exercise price $	Expiry date
2,284,483	0.75	February 22, 2025
2,000,000	0.125	March 28, 2025
11,000,200	0.075	October 20, 2026
266,800	0.75	April 30, 2025
2,241,668	0.125	January 31, 2026
15,000,000	0.15	March 15, 2026
2,008,334	0.125	May 21, 2026
2,170,000	0.125	July 22, 2026
4,599,999	0.125	August 8, 2026
1,043,333	0.300	November 8, 2026
42,614,817		

7. Loan receivable

On July 17, 2022, the Company entered into a right of exclusivity agreement with Premier Silver Corp.(“Premier”) to negotiate a potential merger transaction to acquire all of the issued shares outstanding of Premier. As at July 31, 2023, the Company had advanced a total of $1,732,575 to Premier as a demand loan bearing interest at 8% per annum, due in 90 days if the parties decide not to proceed with the merger.

As at July 31, 2023, the Company determined that the loan was uncollectible and recorded an impairment of $1,733,079 of the loan principal and accrued interest receivable.

8. Related party transactions

The Company’s related parties include key management personnel and directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

<u>Key management compensation</u>

(a) During the six months ended January 31, 2025, the Company incurred $nil (2024 - $75,000) in management fees to Sterling Grant Capital Inc., a company controlled by the former Chief Executive Officer of the Company.

(b) During the six months ended January 31, 2025, the Company incurred $72,000 (2024 -$nil) in management fees to Chief Executive Officer Eugene Hodgson. As at January 31, 2025, $47,575 (July 31, 2024 - $13,616) is included in due to related parties for amounts owed to the Chief Executive Officer of the Company.

(c) During the six months ended January 31, 2025, the Company incurred $36,000 (2024 – $27,000) in professional fees to Chief Financial Officer Chris Foster. As at January 31, 2025, $22,431 (July 31, 2024 - $7,785) is included in due to related parties for amounts owed to the Chief Financial Officer of the Company.

(d) During the six months ended January 31, 2025, the Company incurred $33,327 (2024 - $nil) in geological consulting fees capitalized as exploration and evaluation assets to Exploration Outcomes & Participacoes LTDA., a company controlled by VP of Exploration Jon Hill. As at January 31, 2025, $12,425 (July 31, 2024 - $18,929) is included in due to related parties for amounts owed to the company controlled by the VP of Exploration of the Company.

(Expressed in Canadian Dollars)

8. Related party transactions (continued)

(e) During the six months ended January 31, 2025, the Company incurred $25,000 (2024 - $nil) in consulting fees to AMBE Holdings Ltd., a company controlled by Director Michael Stier. As at January 31, 2025, $26,250 (July 31, 2024 - $nil) is included in due to related parties for amounts owed to AMBE Holdings Ltd.

(f) During the six months ended January 31, 2025, the Company granted 3,106,000 (2023 – nil) stock options with a fair value of $318,199 (2023 - $nil) to key management personnel.

9. Supplemental cash flow information

The Company incurred non-cash financing and investing activities during the six months ended January 31, 2025, and 2024, as follows:

	January 31, 2025	January 31, 2024
	$	$
Non-cash investing activities:		
Common shares issued for acquisition of exploration and evaluation assets	403,333	1,802,516
Common shares issued for acquisition of subsidiary	2,600,000	-
	3,003,333	1,802,516

10. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at January 31, 2025, is comprised of shareholders' equity of $8,884,870 (July 31, 2024 – $5,362,866).

The Company currently has no source of revenue. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets (see Note 1). There were no changes to the Company's management of capital during the six months ended January 31, 2025.

Financial instruments - fair value

The carrying values of the Company's financial instruments, which consist of cash, marketable securities, loan receivable, accounts payable and accrued liabilities, and due to related parties, approximate their fair values due to the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

10. Financial risk management (continued)

Financial instruments – risks (continued)

	Level 1 $	Level 2 $	Level 3 $	Total $
January 31, 2025				
Cash	5,370	-	-	5,370
Marketable securities	623	-	-	623
	5,993	**-**	**-**	**5,993**
July 31, 2024				
Cash	200,587	-	-	200,587
Marketable securities	1,328	-	-	1,328
	201,915	-	-	201,915

Financial instruments - risks

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk, and market and currency risk.

(a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company operates in Canada and Brazil, but has most of its cash held in Canada in Canadian dollars. The Company is exposed to foreign exchange risk due to fluctuations in foreign currencies (U.S. dollars and Brazilian real). Foreign currency risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(e) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Segmented information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Brazil.

12. Commitment

In December 2024 the Company entered into an agreement with a consultant to extend an advertising and communications services agreement regarding the Company's business plan for a period of three months starting on February 1, 2025, for consideration of $200,000.

13. Subsequent events

On March 24, 2025, the Company reported the appointment of Wendy T. Chan as an independent member of the board of directors and as a member of the audit committee.