SYNTHEIA CORP.
(formerly Veta Resources Inc.)

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2024 AND 2023

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

SYNTHEIA
CONVERSATIONAL AI SOLUTIONS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Syntheia Corp. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by management and are responsibility of the Corporation’s management. The Corporation’s independent auditor has not performed a review or an audit of these interim financial statements.

Syntheia Corp. (formerly Veta Resources Inc.)
Interim Statements of Financial Position
As at December 31, 2024 and September 30, 2024
(Expressed in Canadian dollars)

	Note	**December 31, 2024 (*Unaudited*) $**	September 30, 2024 $
ASSETS			
Current			
Cash		**298,990**	2,301,125
Sales tax recoverable		**353,677**	271,961
Prepaid expenses		**477,082**	641,881
Investments - fair value through profit or loss	5	**15,000**	15,000
		1,144,749	3,229,967
Non-Current			
Property and equipment	6	**26,038**	25,262
Intellectual property	7	**2,967,515**	2,967,515
Intangible asset	8	**341,541**	130,992
Right-of-use asset	9	**210,260**	229,972
		3,545,354	3,353,741
		4,690,103	6,583,708

Syntheia Corp. (formerly Veta Resources Inc.)
Interim Statements of Financial Position
As at December 31, 2024 and September 30, 2024
(Expressed in Canadian dollars)

	Note	**December 31, 2024 (*Unaudited*) $**	September 30, 2024 $
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other liabilities	10	**427,286**	1,624,010
Current portion of lease liability	11	**100,601**	72,744
		527,887	1,696,754
Non-current liabilities			
Lease liability	11	**143,591**	165,943
		671,478	1,862,697
Equity			
Share capital	12	**9,823,163**	9,823,163
Reserves	12	**2,910,252**	2,910,397
Deficit		**(8,714,790)**	(8,012,549)
		4,018,625	4,721,011
		4,690,103	6,583,708

Nature of operations and going concern (Note 1)

On behalf of the Board of Directors:

/s/ Tony Di Benedetto
Tony Di Benedetto, CEO and Director

/s/ Rob Montemarano
Rob Montemarano, Director

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

Syntheia Corp. (formerly Veta Resources Inc.)
Interim Statements of Loss and Comprehensive Loss
For the three-month period ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	Note	**December 31, 2024 $ *(3 months)***	December 31, 2023 $ *(3 months)*
Selling, general, and administrative expenses			
Consulting fees	14	**269,350**	481,705
Office and general		**9,050**	17,184
Insurance		**7,493**	-
Filing fees		**8,252**	-
Sales and marketing		**308,765**	63,507
Professional fees		**34,305**	21,302
Salaries and benefits		**39,230**	34,840
Share-based payments	12, 14	**-**	825,577
Interest on lease liability	11	**5,505**	2,608
Amortization	6	**724**	345
Amortization of right-of-use asset	9	**19,712**	12,499
Total selling, general, and administrative expenses		**702,386**	1,459,567
Operating loss		**(702,386)**	(1,459,567)
Other expenses			
Unrealized loss on investments	5	**-**	(135,000)
		(702,386)	(1,594,567)
Net loss and comprehensive loss for the period		**(702,386)**	(1,594,567)
Loss per share - basic and diluted		**(0.009)**	(0.03)
Weighted average number of common shares outstanding - basic and diluted		**77,933,632**	50,494,831

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

Syntheia Corp. (formerly Veta Resources Inc.)
Interim Statements of Changes in Shareholders' Equity
For the three-month period ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	Note	**Number of Shares**	**Share Capital $**	**Reserves $**	**Deficit $**	**Total equity $**
Balance, October 1, 2024		**77,933,632**	**9,823,163**	**2,910,397**	**(8,012,549)**	**4,721,011**
Net loss for the period		**-**	**-**	**-**	**(702,386)**	**(702,386)**
Warrants expired	**12**	**-**	**-**	**(145)**	**145**	**-**
Balance, December 31, 2024		**77,933,632**	**9,823,163**	**2,910,252**	**(8,714,790)**	**4,018,625**

	Note	Number of Shares	Share Capital $	Reserves $	Deficit $	Total equity $
Balance, October 1, 2023		48,873,499	4,665,728	43,534	(1,977,908)	2,731,354
Net loss for the period		-	-	-	(1,594,567)	(1,594,567)
Private placements	12	3,719,600	590,326	339,574	-	929,900
Cost of issuance	12	-	(36,187)	-	-	(36,187)
Share-based payments	12	-	-	825,577	-	825,577
Balance, December 31, 2023		52,593,099	5,219,867	1,208,682	(3,572,475)	2,856,074

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

Syntheia Corp. (formerly Veta Resources Inc.)
Interim Statements of Cash Flows
For the three-month period ended December 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars)

	2024	2023
	$	$
Operating activities		
Net loss for the period	**(702,386)**	(1,594,567)
Adjustments for:		
Share-based payments	**-**	825,577
Unrealized loss on investments	**-**	135,000
Amortization	**724**	345
Amortization of right-of-use asset	**19,712**	12,499
Interest on lease liability	**5,505**	2,608
Changes in non-cash working capital items:		
Sales tax recoverable	**(81,716)**	(68,853)
Prepaid expenses	**164,799**	(45,500)
Accounts payable and other liabilities	**(1,196,724)**	143,657
Cash used in operating activities	**(1,790,086)**	(589,234)
Investing activities		
Acquisition of property and equipment	**(1,500)**	-
Acquisition of intangible asset	**(210,549)**	-
Purchase of investments	**-**	(150,000)
Cash used in investing activities	**(212,049)**	(150,000)
Financing activities		
Proceeds from issuance of shares, net of issuance costs	**-**	893,713
Repayment of lease liability	**-**	(14,463)
Cash provided from financing activities	**-**	879,250
Change in cash during the period	**(2,002,135)**	140,016
Cash, beginning of the period	**2,301,125**	476
Cash, end of the period	**298,990**	140,492

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

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN

Syntheia Corp. (the "Company" or "Syntheia"), formerly Veta Resources Inc. up to the completion of the Amalgamation, as defined below, was incorporated on August 18, 2006 under the Canada Business Corporations Act. The registered office of the Company is located at 217 Queen Street West, suite 401, Toronto, ON, M5V 0R2.

The Company is an early-stage AI business, dedicated to offering automated solutions across a range of industries through its use of AI technologies.

<u>Private placement, Amalgamation and reverse takeover</u>

On June 27, 2024, Metaworld Corporation entered into a letter of agreement with Veta Resources Inc., providing for the acquisition by Veta Resources Inc. of all of the issued and outstanding securities of Metaworld Corporation in exchange for securities of Veta Resources Inc. The Transaction was carried out by way of a three-corner amalgamation under the laws of the Province of Ontario pursuant to the terms of an amalgamation agreement dated September 24, 2024 among the Company, Metaworld Corporation and 1000994508 Ontario Inc. ("Subco"), a wholly owned subsidiary of the Company. Metaworld Corporation and Subco amalgamated pursuant to the provisions of the *Business Corporations Act* (Ontario) and the resulting entity from the amalgamation has become a wholly-owned subsidiary of the Company known as Syntheia Ltd. As a condition to the closing of the Transaction, on September 19, 2024 the Company changed its name from Veta Resources Inc. to Syntheia Corp. and consolidated its common shares on a 2.017753 to one basis. On November 18, 2024, Syntheia Corp. and Syntheia Ltd. completed a final amalgamation resulting in a single entity, Syntheia Corp.

On October 2, 2024, the Company began trading on the Canadian Securities Exchange under the symbol "SYAI".

In connection with the Amalgamation, the following transactions occurred:

- On May 16, 2024 and on September 16, 2024, Metaworld Corporation completed two tranches of the Concurrent Financing through the issuance of a total of 11,180,533 Subscription Receipts at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $3,913,187. Each subscription receipt was exchangeable for one common share and one warrant of Metaworld Corporation and ultimately entitled the holder thereof to one common share and one warrant of Syntheia Corp., upon completion of the Amalgamation.
- The holders of Metaworld Corporation's common shares (including those investors in the Subscription Receipts financing) received one common share of Syntheia Corp., in exchange for each outstanding common share of Metaworld Corporation. Following the share exchange, there were 77,933,632 issued and outstanding common shares of Syntheia Corp. of which the common shareholders of the former Metaworld Corporation controlled a majority.

For accounting purposes, it has been determined that Veta Resources Inc. was the accounting acquiree and Metaworld Corporation was the accounting acquirer as the shareholders of the former Metaworld Corporation now control Syntheia Corp., based upon the guidance in IFRS 3, *Business Combinations*, to identify the accounting acquirer (refer to Note 4). Since Metaworld Corporation is considered the accounting acquirer, these financial statements are prepared as a continuation of the financial statements of Metaworld Corporation. As a result, the comparative information up to date of the Amalgamation included herein is solely that of Metaworld Corporation. For simplicity, transactions undertaken by Metaworld Corporation are referred to as being undertaken by the Company in these financial statements.

1. REPORTING ENTITY, NATURE OF OPERATIONS AND GOING CONCERN (continued)

Going Concern

In the preparation of these interim condensed financial statements, the Company's management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the end of the reporting period. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

As of December 31, 2024, the Company has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of $8,714,790 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of $702,386 during the period of three months ended December 31, 2024. The Company plans to raise additional capital; however, the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The above factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

These interim condensed financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized, or its liabilities may be discharged at their carrying amounts, and these differences could be material.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34. These interim condensed financial statements do not include all the information and disclosures required in the Company's annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2024.

These interim financial statements have not been the subject of an audit by the Company's independent auditor and they were approved and authorized by the Board of Directors of the Company on February 28, 2025.

2.2 Basis of presentation

These interim condensed financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Canadian dollars, which is both the presentation and functional currency of the Company.

2. BASIS OF PREPARATION (continued)

2.4 Use of management estimates and judgments

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

A) Significant estimates and judgments made by management in the preparation of these financial statements:

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

Intellectual property

Significant estimates and judgements are made in testing the intellectual property for impairment. Management uses estimates or exercises judgment in assessing indicators of impairment, defining a cash generating unit ("CGU"), forecasting future revenue, and in determining other key assumptions such as revenue multipliers used for assessing fair value (less costs of disposal).

Intangible asset

In determining whether or not the criteria for capitalizing the development costs of its platform are met, the Company used its judgment to demonstrate that the requirements were met. The Company believes that some of them are easily justifiable, because the platform is ready to be commercialized. Significant judgments are linked to the evaluation of expenses attributable to the asset during its development in relation to the maintenance costs of its functional part and the technical feasibility of additional functionalities.

Calculation of share-based payments

The Company measures the cost of share-based payments by reference to the fair value of the equity instrument or underlying equity instrument at the date on which they are granted. Estimating fair value for share-based payments requires management to determine the most appropriate valuation model for a grant, which is dependent on the terms and conditions of each grant. The Black-Scholes option pricing model is used to determine the fair value for the stock options and warrants and utilizes assumptions such as stock price, volatility and expected life of the option or contractual life of the warrant. Details of the assumptions used are included in Note 12.

2. BASIS OF PREPARATION (continued)

B) Other estimates and judgments made by management in the preparation of these interim condensed financial statements:

Inputs when using Black-Scholes valuation model

The estimates used in determining warrant fair values include input variables, including volatility of the Company's stock price, forfeiture rates, estimated lives, and the risk-free interest rate.

3. MATERIAL ACCOUNTING POLICIES

The interim condensed financial statements have been prepared following the same accounting policies used in the audited annual financial statements for the year ended September 30, 2024.

The accounting policies have been applied consistently by the Company to all periods presented in these interim condensed financial statements, unless otherwise indicated.

4. REVERSE ACQUISITION ACCOUNTING

On September 24, 2024, Metaworld Corporation ("Meta") completed an acquisition with Veta Resources Inc. ("Veta"), pursuant to an agreement signed on June 27, 2024. Meta and Veta carried out this acquisition by way of a three cornered amalgamation whereby Meta amalgamated with 10000994508 Ontario Inc. (a 100% wholly owned subsidiary of Veta) and formed one Company Syntheia Ltd. (a 100% wholly owned subsidiary of Veta). Upon the amalgamation taking effect, Meta's shareholders received (1) Veta common share for each (1) Meta Share (the "Exchange Ratio"). Immediately following the transaction, 84% of shares were owned by the former shareholders of Meta and 16% were owned by the shareholders of Veta.

As Veta does not meet the definition of a business under *IFRS 3, Business Combinations*, the acquisition of Veta was accounted for under *IFRS 2, Share Based Payment*. Under a reverse acquisition accounting, any difference in the fair value of the consideration and the fair value of Veta's net asset acquired is recorded as a listing expense charge in the statement of loss and comprehensive loss. The result of listing expense was as follows:

(Unaudited - Expressed in Canadian dollars)

4. REVERSE ACQUISITION ACCOUNTING (continued)

	September 30, 2024 $
Common share consideration	
# of common shares assumed to be issued to Veta shareholders	12,500,000
Fair value of common shares	0.225
	2,812,500
# of warrants assumed to be issued to Veta shareholders	46,475
Fair value of warrants	0.02074
Fair value of warrants	**964**
Total consideration	**2,813,464**
Veta's net liabilities at fair value	
Cash	29
Prepaid expense	2,557
Sales tax recoverable	2,726
Accounts payable and accrued liabilities	(77,333)
Veta's net liabilities at fair value	**(72,021)**
Excess (listing expense)	**2,885,485**

5. INVESTMENTS

Marketable Securities

The Company's marketable securities comprise of investments in common shares of a Canadian public company. The Company designates its investments in common shares as FVTPL.

	December 31, 2024	September 30, 2024
	$	$
Balance, beginning of the period	**15,000**	-
Additions	**-**	150,000
Unrealized loss in FVTPL	**-**	(135,000)
Balance, end of the period	**15,000**	15,000

(Unaudited - Expressed in Canadian dollars)

5. INVESTMENTS (continued)

The fair values and costs of the marketable securities are as follows:

	December 31, 2024	September 30, 2024
	$	$
Fair value		
Common shares of a public company	**15,000**	15,000
Fair value	**15,000**	15,000
Cost	**150,000**	150,000

Stock Trend Capital Inc.

In December 2023, the Company acquired 3,000,000 common shares of Stock Trend Capital Inc. ("PUMP") at an aggregate subscription price of $0.05, as part of a private placement. As of December 31, 2024, PUMP shares were valued at $15,000 based on the published market price as at December 31, 2024. Stock Trend Capital Inc. and Syntheia Corp. have a common director.

6. PROPERTY AND EQUIPMENT

	Office furniture & equipment
Cost	**$**
Balance – October 1, 2024	**27,447**
Acquisition	**1,500**
Balance – December 31, 2024	**28,947**
Accumulated amortization	
Balance – October 1, 2024	**2,185**
Amortization	**724**
Balance – December 31, 2024	**2,909**
Carrying value, December 31, 2024	**26,038**

(Unaudited - Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT (continued)

	Office furniture & equipment
Cost	**$**
Balance – October 1, 2023	**13,848**
Acquisition	**13,599**
Balance – September 30, 2024	**27,447**
Accumulated amortization	
Balance – October 1, 2023	**805**
Amortization	**1,380**
Balance – September 30, 2024	**2,185**
Carrying value, September 30, 2024	**25,262**

The office furniture & equipment are amortized using the straight-line method, on ten (10) years of useful life.

7. INTELLECTUAL PROPERTY

On December 17, 2021, the Company entered into an intellectual property assignment agreement with a group of vendors with respect to certain digital asset technology involving the design and creation of non-fungible tokens, issuing 59,000,000 common shares in exchange. Included in the group of vendors were three directors of the Company who were issued 9,000,000 shares each in exchange for their respective share of ownership of the intellectual property acquired.

The fair value of the intellectual property was based on three possible cash flow forecast scenarios, which were then probability weighted and valued using a Monte Carlo simulation. The result was a $5,000,000 value assigned to the intellectual property.

The transaction has been accounted for as an asset acquisition as it does not meet the definition of a business acquisition as per IFRS 3.

During the year ended September 30, 2023, some assets included in the intellectual property assignment agreement were returned to some vendors, in exchange for cancellation of their shares. As a result, 23,983,334 shares were cancelled and the value of the intellectual property was reduced for an amount of $2,032,485, resulting a remaining balance of $2,967,515 value assigned to the intellectual property.

(Unaudited - Expressed in Canadian dollars)

8. INTANGIBLE ASSET

	Agent NLP platform
Cost	**$**
Balance – October 1, 2024	**130,992**
Acquisition	**210,549**
Balance – December 31, 2024	**341,541**
Accumulated amortization	
Balance – October 1, 2024	-
Amortization	-
Balance – December 31, 2024	-
Carrying value, December 31, 2024	**341,541**

Cost	**$**
Balance – October 1, 2023	-
Acquisition	**130,992**
Balance – September 30, 2024	**130,992**
Accumulated amortization	
Balance – October 1, 2023	-
Amortization	-
Balance – September 30, 2024	-
Carrying value, September 30, 2024	**130,992**

No amortization was recorded during the three-month period ended December 31, 2024 and the year ended September 30, 2024 as the platform was not yet ready for commercialization.

(Unaudited - Expressed in Canadian dollars)

9. RIGHT-OF-USE ASSET

During the year ended September 30, 2023, the Company recognized a right-of-use asset for its offices with a corresponding lease liability (Note 11), following the signature of a lease on January 1, 2023, which are initially measured at the present value of the future lease payments.

The Company recognized a new right-of-use asset with a corresponding lease liability (Note 11) following the signature of a new lease on September 1, 2024, which are initially measured at the present value of the future lease payments.

	Total
	$
Balance – October 1, 2023	**112,486**
Depreciation on original lease	**(45,828)**
Balance as at August 31, 2024	**66,658**
Disposal of right-of-use asset	**(66,658)**
Additions to right-of-use asset	**236,543**
Depreciation on new lease	**(6,571)**
Balance – September 30, 2024	**229,972**
Depreciation on new lease	**(19,712)**
Balance – December 31, 2024	**210,260**

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	December 31, 2024	September 30, 2024
	$	$
Accounts payable	**421,979**	1,566,455
Net salaries payable	**-**	-
Withholding salaries remittance	**5,307**	57,555
	427,286	1,624,010

All amounts in accounts payable are due within one year.

(Unaudited - Expressed in Canadian dollars)

11. LEASE LIABILITY

In order to calculate the present value of the future lease payments, the Company has used a discount rate of 12% which represents the Company's interest rate that would need to be provided if it issues a debenture given the present risk level of the Company and the underlying asset. The present value of the future lease payments was calculated from January 1, 2023, the signing date of the lease agreement, for a term of more than twelve months. This lease liability was derecognized following the signature of a new agreement on September 1, 2024 for a term of more than twelve months. Changes to the Company's lease liabilities for the three-month period ended December 31, 2024 and the year ended September 30, 2024 are as follows:

	Total
	$
Balance – October 1, 2023	**117,744**
Repayment of original lease obligation	**(53,638)**
Interest on original lease liability	**9,787**
Balance – August 31, 2024	**73,893**
Derecognition of lease liability	**(73,893)**
New lease	**236,543**
Interest payment on new lease	**2,144**
Balance – September 30, 2024	**238,687**
Interest payment on new lease	**5,505**
Balance – December 31, 2024	**244,192**
Current lease liability	**100,601**
Non-current lease liability	**143,591**

Contractual undiscounted cash flow for lease liabilities:

	December 31, 2024	September 30, 2024
	$	$
Less than one year	120,533	97,333
One to four years	157,867	181,067
More than four years	-	-
Total undiscounted cash flows	**278,400**	278,400

Amounts recognized in net earnings:

	Three months ended December 31, 2024	Three months ended December 31, 2023
	$	$
Interest on lease liability	**5,505**	2,608
	5,505	2,608

(Unaudited - Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY

a) Share Capital Authorized

The Company is authorized to issue an unlimited number of common shares.

b) Movements in the company's share capital are as follows:

		Number of Shares	Amount $
Balance, September 30, 2023		48,873,499	4,665,728
Private placements, net of costs	(i), (ii)	16,560,133	2,344,935
Shares issued on reverse acquisition (Note 4)	(iii)	12,500,000	2,812,500
Balance, September 30, 2024 and December 31, 2024		77,933,632	9,823,163

(i) Between October 2023 and April 2024, the Company issued 5,379,600 units in twelve tranches which comprise one common share and one warrant at an agreed price of $0.25 per unit for gross proceeds of $1,344,900. The common shares were recorded at $852,696 and share issuance costs amounted to $136,187. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $492,204.

(ii) On September 24, 2024, the Company issued 11,180,533 units which comprise one common share and one warrant at an agreed price of $0.35 per unit for gross proceeds of $3,913,187. The common shares were recorded at $2,525,493 and share issuance costs amounted to $777,076. The warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $1,387,694. As part of the private placement, the Company issued 867,443 agent warrants, which comprise one common share and one warrant of the Company. These agent warrants were recorded in warrants reserve at the value attributed to them at the time of the issuance of the units being $119,991.

(iii) In connection with the reverse acquisition, the Company issued 12,500,000 common shares in consideration of Veta's net asset for a deemed value of $2,812,500 (refer to Note 4)

(Unaudited - Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

c) *Warrants*

In connection with the private placement closed between October 2023 and April 2024, the Company issued a total of 5,379,600 exercisable at $0.35 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $492,204. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.16 per share, expected annualized volatility between 144% and 147%; risk free interest rate between 3.79% and 4.76%; expected dividend yield of 0%; and expected life of 2 years.

In connection with the private placement closed on September 24, 2024, the Company issued a total of 11,180,533 warrants exercisable at $0.50 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $1,387,694. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.225 per share, expected annualized volatility of 140%; risk free interest rate of 2.85%; expected dividend yield of 0%; and expected life of 2 years. The Company also issued a total of 867,443 agent warrants exercisable at $0.35 for a period of two years. These warrants were recorded in warrant reserve at the value attributed to them at the time of their issuance, totalizing $119,991. The fair value was estimated using a Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.225 per share, expected annualized volatility of 140%; risk free interest rate of 2.85%; expected dividend yield of 0%; and expected life of 2 years.

The continuity of outstanding share warrants is as follows:

	Number of warrants	**Weighted average exercise price per share $**
Balance – September 30, 2023	702,345	0.25
Issued	17,474,051	0.56
Expired	(700,000)	0.25
Balance – September 30, 2024	17,476,396	0.56
Expired	(2,345)	0.25
Balance – December 31, 2024	**17,474,051**	**0.56**

All warrants outstanding are exercisable upon issuance. The following table provides additional information about outstanding share warrants as at December 31, 2024:

Exercise price	**No. of Warrants Outstanding**	**Weighted Average Remaining Life (Years)**
$0.35	**6,247,043**	1.06
$0.50	**11,180,533**	1.73
$40.36	**4,243**	2.73
$56.49	**42,232**	2.73
$0.56	**17,474,051**	1.49

(Unaudited - Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

d) Options

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The number of shares to be reserved and set aside for issue under this plan is determined from time to time by the Board. The continuity of outstanding stock options is as follows:

	Number of stock options	Weighted average exercise price per share $
Balance – September 30, 2023	**-**	**-**
Granted	9,550,000	0.25
Cancelled	(1,800,000)	0.25
Balance – September 30, 2024 and December 31, 2024	**7,750,000**	**0.25**

On November 29, 2023, the Company granted 7,000,000 options to certain directors, officers, employees and consultants. Each option vests at grant date. One option allows the holder to purchase one common share of the Company at an exercise price of $0.25 per common share for a period of 3 years. The weighted average fair value of the options granted during the period of $0.1179 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumption: underlying share price of $0.16 per share, expected annualized volatility of 143%; risk free interest rate of 3.87%; expected dividend yield of 0%; and expected life of 3 years. 1,800,000 of these options were cancelled on July 2, 2024.

On April 4, 2024, the Company granted 2,550,000 options to certain directors, officers, employees and consultants. Each option vests at grant date. One option allows the holder to purchase one common share of the Company at an exercise price of $0.25 per common share for a period of 3 years. The weighted average fair value of the options granted during the period of $0.1161 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumption: underlying share price of $0.16 per share, expected annualized volatility of 140%; risk free interest rate of 3.76%; expected dividend yield of 0%; and expected life of 3 years.

The total expense recognized in profit or loss for the three-month period ended December 31, 2024 amounts to $Nil (December 31, 2023 - $825,577).

The following table provides additional information about outstanding stock options as at December 31, 2024:

Exercise price	No. of Options Outstanding	Weighted Average Remaining Life (Years)
$0.25	**7,750,000**	2.03

(Unaudited - Expressed in Canadian dollars)

12. SHAREHOLDERS' EQUITY (continued)

e) Reserves

The option and warrant reserve accounts have been created to record the offsetting credits of the share-based payment expenses relating to the issuance of stock options and warrants.

	Options $	Warrants $	Total $
Balance, September 30, 2023	-	43,534	43,534
Private placement warrants (Note 12(c))	-	1,999,889	1,999,889
Warrants – reverse acquisition (Note 4)	-	964	964
Warrants expired	-	(43,389)	(43,389)
Share-based payment expense of the period	1,121,690	-	1,121,690
Cancellation of options	(212,291)	-	(212,291)
Balance, September 30, 2024	**909,399**	**2,000,998**	**2,910,397**
Warrants expired	-	(145)	(145)
Balance, December 31, 2024	**909,399**	**2,000,853**	**2,910,252**

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying value of cash, accounts payable and accrued liabilities approximate their fair values due to the relatively short-term maturities of these financial instruments. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

Classification	Measurement	**Carrying Value September 30, 2024** **$**	**Fair Value September 30, 2024** **$**	Carrying Value September 30, 2024 $	Fair Value September 30, 2024 $
Financial Assets					
Cash	FVTPL	**298,990**	**298,990**	2,301,125	2,301,125
Investments	FVTPL	**15,000**	**15,000**	15,000	15,000
		313,990	**313,990**	2,316,125	2,316,125
Financial Liabilities					
Accounts payable and other liabilities	Amortized cost	**427,286**	**427,286**	1,624,010	1,624,010
Lease liability	Amortized cost	**244,192**	**244,192**	238,687	238,687
		671,478	**671,478**	1,862,697	1,862,697

(Unaudited - Expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company defines key management as the Company's Directors and Officers of the Company.

Compensation awarded to key management includes the following:

	Three months ended December 31, 2024 $	Three months ended December 31, 2023 $
Consulting fees paid to directors and officers	**175,500**	198,000
Rent to a Company controlled by a director	**22,400**	14,464
Share-based payments – options	**-**	707,637
Total compensation to key management	**197,900**	920,101

On December 20, 2023, 1,200,000 common shares were issued to a corporation which has a common director with the Company, for gross proceeds of $300,000.

Balances owed to key management include the following:
As at December 31, 2024, included in accounts payable and accrued liabilities is $72,923 ($449,831 as at September 30, 2024) with respect to finder's fees, rent and expenses reimbursement owed to directors and officers.