LEXSTON MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE- AND NINE- MONTH PERIODS ENDED
FEBRUARY 28, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

(Prepared by Management)

(UNAUDITED)

NOTICE OF NO AUDITORS' REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Lexston Mining Corporation (the "Company") have been prepared by and are the responsibility of the Company's management.

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

LEXSTON MINING CORPORATION

LEXSTON MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(UNAUDITED)

	Note	**FEBRUARY 28, 2025 $**	MAY 31, 2024 $
ASSETS			
Current assets			
Cash		**63,581**	390,405
Accounts receivable	4	**4,543**	9,057
Prepaid expenses and advances		**279,427**	54,000
Total current assets		**347,551**	453,462
Non-current assets			
Investment	6	**1**	1
Property and equipment		**1**	1
Exploration and evaluation assets	5	**307,485**	297,485
Total non-current assets		**307,487**	297,487
TOTAL ASSETS		**655,038**	750,949
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**82,420**	39,869
Due to related party	7, 11	**60,000**	–
Total current liabilities		**142,420**	39,869
Shareholders' equity			
Share capital	8	**5,757,559**	4,963,050
Share-based payment reserves	10	**34,581**	127,772
Deficit		**(5,279,522)**	(4,379,742)
Total shareholders’ equity		**512,618**	711,080
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**655,038**	750,949

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on April 4, 2025:

/s/ Clinton Sharples
Clinton Sharples, Director

/s/ Jagdip Bal
Jagdip Bal, Director

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

LEXSTON MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(UNAUDITED)

	Note	**Three- month period ended February 28, 2025 $**	Three- month period ended February 29, 2024 $	**Nine- month period ended February 28, 2025 $**	Nine- month period ended February 29, 2024 $
Operating expenses					
Advertising and promotion		**136,035**	69,281	**392,876**	71,781
Consulting fees	11	**24,501**	84,977	**145,927**	129,977
Exploration and evaluation expenditures	5	**1,600**	62,993	**116,432**	62,993
Management fees	11	**45,749**	15,000	**122,469**	40,000
Office and miscellaneous		**1,530**	2,488	**2,385**	1,078
Professional fees		**28,488**	27,997	**68,989**	117,612
Regulatory and transfer agent fees		**13,670**	8,081	**39,981**	43,775
Share-based compensation	10	–	75,619	**233,750**	75,619
Travel		–	–	**2,234**	845
Loss from continuing operations		**(251,573)**	(346,436)	**(1,125,043)**	(543,680)
Loss from discontinued operations	12	**(18,966)**	(26,242)	**(54,657)**	(77,557)
Net loss and comprehensive loss		**(270,539)**	(372,678)	**(1,179,700)**	(621,237)
Loss per share, basic and diluted		**(0.05)**	(0.12)	**(0.25)**	(0.20)
Weighted average number of shares outstanding, basic and diluted		**5,184,822**	3,200,620	**4,699,664**	3,087,388

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

LEXSTON MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(UNAUDITED)

	Share capital		Share-based payment		
	Number of shares	Amount $	reserves $	Deficit $	Total $
Balance, May 31, 2023	3,030,917	4,163,662	151,462	(3,512,029)	803,095
Shares issued pursuant to exercise of options	175,000	172,708	(79,208)	–	93,500
Shares issued pursuant to exercise of warrants	10,000	15,000	–	–	15,000
Shares issued for exploration and evaluation assets	100,000	80,000	–	–	80,000
Fair value of stock options granted	–	–	75,625	–	75,625
Net loss for the period	–	–	–	(621,237)	(621,237)
Balance, February 29, 2024	3,315,917	4,431,370	147,879	(4,133,266)	445,983
Issuance of common shares pursuant to private placement	699,933	419,960	–	–	419,960
Share issue costs	–	(30,642)	13,005	–	(17,637)
Shares issued for exploration and evaluation assets	25,000	17,500	–	–	17,500
Shares issued pursuant to exercise of options	72,500	72,362	(33,112)	–	39,250
Shares issued pursuant to exercise of warrants	80,000	52,500	–	–	52,500
Net loss for the period	–	–	–	(246,476)	(246,476)
Balance, May 31, 2024	4,193,350	4,963,050	127,772	(4,379,742)	711,080
Issuance of common shares pursuant to private placement	2,450,000	196,000	–	–	196,000
Shares issued pursuant to exercise of warrants	644,250	493,988	–	–	493,988
Shares issued pursuant to exercise of options	75,000	104,521	(47,021)	–	57,500
Fair value of stock options granted	–	–	233,750	–	233,750
Transfer from reserves to deficit relating to cancelled options	–	–	(279,920)	279,920	–
Net loss for the period	–	–	–	(1,179,700)	(1,179,700)
Balance, February 28, 2025	**7,362,600**	**5,757,559**	**34,581**	**(5,279,522)**	**512,618**

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

LEXSTON MINING CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(UNAUDITED)

	Nine- month period ended February 28, 2025 $	Nine- month period ended February 29, 2024 $
OPERATING ACTIVITIES		
Net loss	**(1,179,700)**	(621,237)
Items not involving cash:		
Amortization	**–**	19,771
Loss on disposal of equipment	**–**	–
Share-based compensation	**233,750**	75,619
Changes in non-cash operating working capital:		
Amounts receivable	**4,514**	(2,121)
Prepaid expenses and advances	**(225,427)**	197,117
Accounts payable and accrued liabilities	**42,551**	18,733
Net cash used in operating activities	**(1,124,312)**	(312,118)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets.	**(10,000)**	(199,985)
Net cash used in investing activities	**(10,000)**	(199,985)
FINANCING ACTIVITIES		
Due to related party	**60,000**	–
Net proceeds from private placement	**196,000**	–
Proceeds from exercise of stock options	**57,500**	93,500
Proceeds from exercise of warrants	**493,988**	15,000
Net cash provided by financing activities	**807,488**	108,500
Change in cash	**(326,824)**	(403,603)
Cash, beginning of period	**390,405**	510,995
Cash, end of period	**63,581**	107,392
Non-cash investing and financing activities:		
Fair value of shares issued for exploration and evaluation assets	**–**	80,000
Transfer of fair value of stock options to share capital upon exercise	**47,021**	79,208

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Lexston Mining Corporation (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records office is 1150 – 789 West Pender Street, Vancouver, BC, V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC V6B 1S3.

During the nine-month period ended February 28, 2025, the Company incurred a net loss of $1,179,700 (February 29, 2024 - $621,237) and has used net cash in operating activities of $1,124,312 (February 29, 2024 - $312,118). As at February 28, 2025, the Company has an accumulated deficit of $5,279,522 (May 31, 2024 - $4,379,742). The Company expects to incur further losses in the development of its operations. While the Company has positive working capital, the ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain public equity financing, or to ultimately attain profitable operations in the future. If and when the Company can attain profitability and positive cash flows is uncertain.

While the Company has been successful in securing financing in the past, there is no assurance that financing will be available in the future on terms acceptable to the Company. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards ("IFRS"). These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Principles of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Egret Bioscience Ltd. ("Egret") and Zenalytic Laboratories Ltd. ("Zen").

The Company's unaudited condensed interim consolidated financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions, and unrealized intercompany gains and losses are eliminated upon consolidation.

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of Estimates and Judgments

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant areas requiring the use of management estimates include the collectability of accounts receivable, carrying value of investment, the useful lives and carrying value of property and equipment and intangible assets, fair value of share-based compensation, and recoverability of unrecognized deferred income tax assets.

Significant judgments include the following:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period;
- Judgment with respect to the assessment of fair value of investment in a private company. The fair value of common shares in a private company is determined by valuation techniques such as recent arm's length transactions, option pricing models, or other valuation techniques commonly used by market participants; and

Material Accounting Policies

These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended May 31, 2024.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets which is primarily cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian-based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of these exposures. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(Expressed in Canadian dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at February 28, 2025 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Carrying Amount $
Investment	–	1	–	1

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The fair values of other financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to related party approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company has cash of $63,581 at February 28, 2025 (May 31, 2024 – $390,405) in order to meet short-term liabilities of $142,420 (May 31, 2024 – $39,869). There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company. The Company monitors its risk of shortage of funds by monitoring the maturity dates of its existing liabilities. The Company's accounts payable and amounts due to related parties are all due within one year.

Foreign exchange rate and interest rate risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of cash, and equity comprised of issued share capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

4. ACCOUNTS RECEIVABLE

	February 28, 2025 $	May 31, 2024 $
Trade accounts receivable	**25**	1,089
Taxes receivable	**4,518**	7,968
	4,543	**9,057**

5. EXPLORATION AND EVALUATION ASSETS

	Dory $	Itza/176 $	Total $
Balance, May 31, 2023	–	–	–
Acquisition costs:			
Cash	85,000	100,000	185,000
Common shares	17,500	80,000	97,500
Staking	–	14,985	14,985
Balance, May 31, 2024	102,500	194,985	297,485
Acquisition costs:			
Cash	10,000	–	10,000
Balance, February 28, 2025	**112,500**	**194,985**	**307,485**

Dory Property

The Company entered into a mineral property option agreement dated January 18, 2023 and amended May 31, 2023. In order to exercise the option and earn a 51% interest in the Dory Property, which consists of four mineral claims located 25 km west of Port Alberni in British Columbia, the Company must, within six months from the date of acceptance by the Canadian Securities Exchange (the “Exchange”) of the option agreement and the change of business of the Company:

a) pay to the optionor $85,000 (paid); and

b) issue to the optionor a total of 25,000 (issued) common shares of the Company.

The Company will earn a further 49% interest in the Dory Property making the total interest of the Company in the Property 100% by:

a) making a cash payment to the optionor in the amount of $10,000 (paid) within one year from the date of the acceptance of the Option Agreement and the change of business of the Company by the Exchange;

b) incurring expenditures on the Dory Property in the amount of $100,000 within one year from the date of the acceptance of the Option Agreement and the change of business of the Company by the Exchange (see below); and

c) issuing to the optionor a total of 25,000 common shares of the Company within one year from the date of the acceptance of the Option Agreement and the change of business of the Company by the Exchange (see below).

The option is subject to 2% net smelter return royalty in favour of the Optionor, 1/2 of which can be repurchased by the Company for $1,000,000.

During the period ended February 28, 2025, the Company announced the amendment to the Dory Property Agreement. The parties agreed to extend for one additional year the term to incur $100,000 in exploration expenditures and the issuance of 25,000 common shares in order to earn the remaining 49% interest in the Dory Property.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Projects Itza and 176 Properties

The Company entered into a mineral property option agreement dated November 27, 2023 with three optionors (the **"Optionors"**) to acquire 100% interest in the uranium mineral property, generally known as "Project 176" (claim 103470) and "Project Itza" (claim numbers 103463, 103478 and 103465) located in the Thelon Basin in Nunavut and occupying a total area of 5,661.93 hectares (the **"Property"**).

To exercise the option and earn the 100% interest in the Property, the Company has to pay a total of $400,000 and issue a total of 600,000 shares to the Optionors over a period of two years as follows:

a) upon the execution of the Agreement to pay $10,000 (paid);

b) sixty days from the date of the Agreement to pay $90,000 (paid) and issue 100,000 shares (issued);

c) within one year from the date of the Agreement to pay $100,000 and issue 200,000 shares (see below); and

d) within two years from the date of the Agreement to pay $200,000 and issue 300,000 shares.

The option is subject to a net smelter return royalty payable by the Company to the Optionors equal to 1% on the proceeds from production for all minerals derived from the Property. The Company may elect to purchase 1/2 of the net smelter return royalty from the Optionors at any time upon the payment to the Optionors of $1,000,000.

During the year ended May 31, 2024, the Company staked five new mineral claims totaling 5,688 hectares for $14,985 which join Projects and 176 making it one contiguous land package totaling 11,350 hectares located within the Thelon Basin.

During the period ended February 28, 2025, management of the Company negotiated to extend for one additional year the term to make the remaining cash payments and to issue shares to the optionors. Now the Company has two years from the date of the Project 176 and Project Itza Agreement to pay $100,000 and issue 200,000 shares to the optionors and three years to pay $200,000 and issue 300,000 shares to the optionors to earn 100% in Project 176 and Project Itza.

A summary of the Company's exploration and evaluation expenditures related to all the projects for the nine-month period ended February 28, 2025 is as follows:

	Dory $	Itza/176 $	Total $
Assays	–	2,382	2,382
Camp costs and supplies	–	2,220	2,220
Geological consulting	–	21,570	21,570
Travel and accommodation	–	79,596	79,596
Reports	–	2,700	2,700
Salary and wages	–	2,150	2,150
Vehicle and tool rental	–	5,814	5,814
	–	**116,432**	**116,432**

6. INVESTMENT

On July 7, 2021, the Company acquired 750,000 Class C non-voting common shares of Psy Integrated Health Inc. ("Psy Integrated"), a private company incorporated in the province of British Columbia, at $0.10 per share for $75,000, representing 13% of the total issued and outstanding shares of Psy Integrated and no voting rights, board representation, or involvement in the day-to-day nature of its operations. The Company's investment in Psy Integrated is recorded as FVTPL.

During the year ended May 31, 2024, the Company recorded an unrealized loss of $Nil (2023 - $28,999) on its investment in Psy Integrated, and as at February 28, 2025, Psy Integrated has a carrying value of $1 (May 31, 2024 - $1).

7. DUE TO RELATED PARTY

During the three-month period ended November 30,2024, the Company received $130,000 from a director of the Company which is unsecured, non-interest bearing and due on demand. During the three-month period ended February 28, 2025, the Company repaid $70,000 to leave $60,000 outstanding.

8. SHARE CAPITAL

Authorized

Unlimited number of common shares, voting, without par value.

On January 28, 2025, the Company consolidated its issued and outstanding common shares on the basis of 10 old common shares to 1 new common share. Unless otherwise noted, all shares, options and warrants have been retroactively adjusted to reflect the consolidation.

Escrow Shares

Pursuant to an escrow agreement effective June 7, 2021, a total of 426,000 common shares of the Company were deposited into escrow for certain principal shareholders. Under the escrow agreement, 10% of the escrowed common shares were released (on the date of listing) and 15% will be released subsequently every 6 months thereafter over a period of 36 months. As of February 28, 2025, there were nil (May 31, 2024 – 63,900) shares held in escrow.

Share Issuances

Nine- month period ended February 28, 2025

(a) During the nine-month period ended February 28, 2025, the Company issued a total of 428,250 common shares for the exercise of 428,250 warrants at $0.75 for total proceeds of $321,188.

(b) During the nine-month period ended February 28, 2025, the Company issued a total of 216,000 common shares for the exercise of 216,000 warrants at $0.80 for total proceeds of $172,800.

(c) During the nine-month period ended February 28, 2025, the Company issued a total of 25,000 common shares at $0.50 per common share for proceeds of $12,500 pursuant to the exercise of stock options which resulted in a transfer from share-based payments reserve to share capital of $10,825.

(d) During the nine-month period ended February 28, 2025, the Company issued a total of 50,000 common shares at $0.90 per common share for proceeds of $45,000 pursuant to the exercise of stock options which resulted in a transfer from share-based payments reserve to share capital of $36,196.

(e) During the nine-month period ended February 28, 2025, the Company issued 2,450,000 units at $0.08 per unit for total proceeds of $196,000. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.10 until February 18, 2030.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

Share Issuances (continued)

Year ended May 31, 2024:

(a) During the year ended May 31, 2024, the Company issued 699,933 units at $0.60 per unit for proceeds of $419,960, including 197,333 units issued to officers and directors of the Company for proceeds of $118,400. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at $0.80 per share. As part of the private placement, the Company paid finders' fees of $10,637 and issued 17,728 brokers warrants under the same terms and conditions as the warrants issued pursuant to the private placement. The value of the brokers warrants amounted to $13,005 based on the value of the equity instruments issued. The Company also recorded $7,000 in legal fees associated to the financing. These issuance costs were recorded as reduction in share capital and an increase in reserves.

(b) During the year ended May 31, 2024, the Company issued a total of 217,500 common shares at $0.50 per common share for proceeds of $108,750 pursuant to the exercise of stock options which resulted in a transfer from share-based payments reserve to share capital of $94,170.

(c) During the year ended May 31, 2024, the Company issued a total of 30,000 common shares at $0.80 per common share for proceeds of $24,000 pursuant to the exercise of stock options which resulted in a transfer from share-based payments reserve to share capital of $18,150.

(d) During the year ended May 31, 2024, the Company issued 90,000 common shares at $0.75 per common share for proceeds of $67,500 pursuant to the exercise of share purchase warrants.

(e) On January 9, 2024, the Company issued 100,000 common shares with a fair value of $80,000 pursuant to the option agreement for the acquisition of Project Iza and Project 176 (Note 5).

(f) On April 16, 2024, the Company issued 25,000 common shares with a fair value of $17,500 pursuant to the option agreement for the acquisition of the Dory Property (Note 5).

9. SHARE PURCHASE WARRANTS

The continuity of share purchase warrants is summarized below:

	Weighted average exercise price $	Number of warrants
Balance, May 31, 2023	1.60	2,175,036
Issued pursuant to private placement	0.80	699,933
Broker warrants issued pursuant to private placement	0.80	17,728
Expired	7.50	(279,032)
Exercised	0.75	(90,000)
Balance, May 31, 2024	0.80	2,523,665
Exercised	0.80	(644,250)
Issued pursuant to private placement	0.10	2,450,000
Balance, February 28, 2025	**0.39**	**4,329,415**

(Expressed in Canadian dollars)

9. SHARE PURCHASE WARRANTS (continued)

The following table summarizes the warrants outstanding and exercisable at February 28, 2025:

Expiry date	Weighted average remaining contractual life (years)	Exercise price	Number of warrants
May 15, 2026	0.14	$0.80	501,661
July 4, 2027	0.74	$0.75	1,377,754
February 18, 2030	2.82	$0.10	2,450,000
	3.70		**4,329,415**

10. STOCK OPTIONS

The Company has a Stock Option Plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

	Weighted average exercise price $	Number of stock options
Outstanding, May 31, 2023	0.50	300,000
Granted	0.80	125,000
Exercised	0.50	(247,500)
Outstanding and exercisable, May 31, 2024	0.70	177,500
Granted	0.90	340,000
Exercised	0.80	(75,000)
Cancelled	0.90	(442,500)
Outstanding and exercisable, February 28, 2025	–	–

During the nine-month period ended February 28, 2025, the Company recognized share-based compensation of $233,750 (February 29, 2024 - $nil) for the grant and vesting of stock options to consultants. The weighted average fair value of options granted during the nine-month period ended February 28, 2025, was $0.90 (February 29, 2024 – $nil) per option.

Share-based compensation is determined using the Black-Scholes option pricing model with the following assumptions and assuming no expected dividends or forfeiture rates:

	Nine- month period ended February 28, 2025	Nine- month period ended February 29, 2024
Annualized volatility	**109 - 111%**	Nil
Risk-free interest rate	**3.06 - 3.41%**	Nil
Expected life	**5 years**	Nil

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

Key Management Compensation

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

	Three-month period ended February 28, 2025 $	Three-month period ended February 29, 2024 $	**Nine-month period ended February 28, 2025 $**	Nine-month period ended February 29, 2024 $
Consulting fees	**–**	–	**20,000**	–
Management fees	**45,749**	20,000	**122,469**	25,000
Share-based payments	**–**	18,149	**–**	18,149

(a) As at February 28, 2025, the Company owed $60,000 (May 31, 2024 - $Nil) to a director of the Company. This loan is unsecured, non-interest bearing and due on demand.

(b) During the nine-month period ended February 28, 2025, the Company incurred $20,000 (February 29, 2024 - $Nil) of consulting fees to a director of the Company.

(c) During the nine-month period ended February 28, 2025, the Company incurred $112,469 (February 29, 2024 - $25,000) of management fees to the Chief Executive Officer of the Company.

(d) During the nine-month period ended February 28, 2025, the Company incurred $10,000 (February 29, 2024 - $nil) of management fees to the Chief Financial Officer of the Company.

(e) During the nine-month period ended February 28, 2025, the Company granted nil (February 29, 2024 – 300,000) incentive stock options to a director valued at $nil (February 29, 2024 - $18,149) or $nil (February 29, 2024 - $0.06), all of which was recorded as share-based compensation .

12. DISCONTINUED OPERATIONS

During the year ended May 31, 2024, the Company discontinued its research and development of pharmaceutical products, biosciences research and cannabis testing from its two wholly owned subsidiaries, Egret and Zen. Consequently, as at May 31, 2024, assets and liabilities allocable to Egret and Zen were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of the business line have been eliminated from the Company's continuing operations and are shown as a single line item in the consolidated statements of operations and comprehensive loss.

A summary of the Company's net loss from discontinued operations for the three and nine- month periods ended February 28, 2025 and 2024 is as follows:

	Three-month period ended February 28, 2025 $	Three-month period ended February 29, 2024 $	**Nine-month period ended February 28, 2025 $**	Nine-month period ended February 29, 2024 $
Amortization	**–**	6,574	**–**	19,771
Management fees	**7,500**	7,500	22,500	22,500
Office	**1,699**	2,666	**3,386**	6,781
Rent	**9,767**	9,502	**28,771**	28,505
	18,966	26,242	**54,657**	77,557

(Expressed in Canadian dollars)

12. DISCONTINUED OPERATIONS (continued)

A summary of the carrying values of the assets and liabilities in the disposal group is as follows:

	February 28, 2025 $	May 31, 2024 $
Assets		
Cash	**1,130**	6,073
Accounts receivable	**782**	4,964
Prepaid expenses and advances	**2,500**	2,500
Property and equipment	**1**	1
Liabilities		
Accounts payable and accrued liabilities	**7,827**	7,505

The cash flows from the discontinued operations of the disposal group for the nine-month periods ended February 28, 2025 and 2024 are presented in the following table:

	Nine- month period ended February 28, 2025 $	Nine- month period ended February 29, 2024 $
Cash flows provided by (used in) operating activities	**(36,354)**	(63,179)
Increase (decrease) in cash	**(340)**	(179)