Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Corcel Exploration Inc. ("**Corcel**" or the "**Company**")

Suite 1500, 1055 West Georgia St., Vancouver, British Columbia, V6E 4N7, Canada

1.2 Executive Officer

Stephen Ronald Dunn, Interim Chief Executive Officer

Telephone: 416-361-2827

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On January 8, 2025, the Company acquired all of the issued and outstanding shares in the capital of CuQuest Resources Corp. ("**CuQuest**"), from the shareholders thereof (each, a "**Vendor**"), pursuant to the terms of a share purchase agreement (the "**SPA**") dated December 19, 2024 (the "**Acquisition**").

CuQuest is a junior mining company. Incorporated on March 11, 2024 in the Province of British Columbia, CuQuest's primary business involves mineral exploration and evaluation. CuQuest's mineral interest solely consists of the right to acquire 100% interest in the Yuma King project. The project is an advanced porphyry copper, molybdenum, and gold exploration project located in the Ellsworth mining district, within the Granite Wash Mountains of La Paz County, west-central Arizona.

For more information on the Acquisition, including a copy of the SPA, see the Company's news release dated January 9, 2025 filed under the Company's profile on SEDAR+ at www.sedarplus.ca.

2.2 Acquisition Date

January 8, 2025.

2.3 Consideration

In consideration for the Acquisition, the Company issued 15,000,000 common shares (each, a "**Consideration Share**") to the Vendors, on a pro rata basis, at a deemed price of $0.09 per Consideration Share, for a total purchase price of $1,350,000. The Consideration Shares are subject to a voluntary restricted period of between four and twelve months from the closing date of the Acquisition.

2.4 Effect on Financial Position

Except as otherwise publicly disclosed and in the ordinary course of the Company's business, the Company does not currently have any plans or proposals for material changes in the business of CuQuest acquired pursuant to the Acquisition which may have a significant impact on the financial performance and financial position of the Company.

2.5 Prior Valuations

To the knowledge of the Company, there has been no valuation opinion obtained in the last 12 months by the Company or CuQuest required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for CuQuest.

2.6 Parties to Transaction

The Acquisition was not made with any "informed person", as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), associate or affiliate of CuQuest.

2.7 Date of Report

February 14, 2025

Item 3 Financial Statements and Other Information

Pursuant to Part 8 of NI 51-102, the following financial statements are attached hereto and form part of this Report:

Attached as Schedule A are the following financial statements of CuQuest:

- Audited annual financial statements of CuQuest for the period from the incorporation on March 11, 2024 to November 30, 2024, together with the notes thereto and the auditors' report thereon; and

Forward-Looking Statements

This report may contain certain "forward-looking statements" or "forward-looking information" under applicable securities laws. Forward-looking terms such as "may," "will," "could," "should," "would," "plan," "potential," "intend," "anticipate," "project," "target," "believe," "estimate" or "expect" and other words, terms and phrases of similar nature are often intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgment based on facts and assumptions that management considers reasonable. Any such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results and expectations to differ materially from the anticipated results or expectations expressed in this Report. The Company cautions readers that should certain risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results the Company's most recent Management Discussion and Analysis and other documents on file with the Canadian securities regulatory authorities, which are available online under the Company's SEDAR+ profile at www.sedarplus.ca. The forward-looking statements and information contained in this report represent the Company's views only as of today's date. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, other than as required by law, rule or regulation. You should not place undue reliance on forward-looking statements.

SCHEDULE A

CUQUEST FINANCIAL STATEMENTS

[see attached]

CUQUEST RESOURCES CORP.

Financial Statements

For the period from March 11, 2024 (incorporation) to November 30, 2024

(Expressed in Canadian dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
CUQUEST RESOURCES CORP.

Opinion

We have audited the financial statements of CuQuest Resources Corp. ("the Company"), which comprise the statements of financial position as at November 30, 2024, and the statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the period from March 11, 2024 (incorporation) to November 30, 2024, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024, and its financial performance and its cash flows for the period from March 11, 2024 (incorporation) to November 30, 2024 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $509,726 during the period from March 11, 2024 (incorporation) to November 30, 2024, and as of that date, had accumulated losses since inception of $509,726. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

WDM

Chartered Professional Accountants

Vancouver, B.C.
February 13, 2025

CUQUEST RESOURCES CORP.
Statement of Financial Position
(Expressed in Canadian dollars)

	Note	November 30, 2024
		$
ASSETS		
Current assets		
Cash		**126,468**
Prepaid expenses and deposits	5	**124,115**
Total assets		**250,583**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	7(b), 9	**91,504**
Promissory notes	6, 9	**260,200**
Total liabilities		**351,704**
SHAREHOLDERS' DEFICIENCY		
Share capital	7(b)	**388,605**
Shares to be issued	7(b)	**20,000**
Deficit		**(509,726)**
Total shareholders' deficiency		**(101,121)**
Total liabilities and shareholders' deficiency		**250,583**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized for issue on behalf of the Board of Directors:

\/s/ Colin Moore	*\/s/ Jon Ward*
Director	Director

CUQUEST RESOURCES CORP.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for number of shares)

	Note	Period from March 11, 2024 (incorporation) to November 30, 2024
		$
Operating expenses		
Consulting fees		**6,949**
Exploration and evaluation expenditures	8	**419,901**
General and administrative		**5,355**
Legal fees		**22,669**
Professional fees		**33,820**
Operating loss		**(488,694)**
Interest expense	6, 9	**(20,800)**
Foreign exchange loss		**(232)**
Net loss and comprehensive loss		**(509,726)**
Loss per share:		
Basic and diluted		**(0.06)**
Weighted average number of shares:		
Basic and diluted		**8,823,939**

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

CUQUEST RESOURCES CORP.
Statement of Cash Flows
(Expressed in Canadian dollars)

	Period from March 11, 2024 (incorporation) to November 30, 2024
	$
Operating activities:	
Net loss for the period	**(509,726)**
Adjustments for non-cash items:	
Interest expense	**20,800**
Foreign exchange loss	**232**
Changes in non-cash working capital items:	
Prepaid expenses and deposits	**(124,115)**
Accounts payable and accrued liabilities	**75,167**
Cash used in operating activities	**(537,642)**
Financing activities:	
Proceeds from private placements, net of share issuance costs	**404,942**
Proceeds from subscription shares to be issued	**20,000**
Proceeds from promissory notes	**270,000**
Repayment of promissory note	**(30,600)**
Cash provided by financing activities	**664,342**
Effect of foreign exchange on changes in cash	**(232)**
Net change in cash	**126,468**
Cash, beginning of the period	**-**
Cash, end of the period	**126,468**
Supplemental cash flow information:	
Cash paid for interest expense	**(600)**
Cash paid for income tax	**-**
Share issuance costs included in accounts payable	**16,337**

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

CUQUEST RESOURCES CORP.
Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Shares to be issued	Deficit	Total shareholders' deficiency
	#	$	$	$	$
Balance, March 11, 2024 (incorporation)	**-**	**-**	**-**	**-**	**-**
Shares issued in private placement, net of share issuance costs	14,800,000	388,605	-	-	388,605
Shares to be issued	-	-	20,000	-	20,000
Net loss for the period	-	-	-	(509,726)	(509,726)
Balance, November 30, 2024	**14,800,000**	**388,605**	**20,000**	**(509,726)**	**(101,121)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

CuQuest Resources Corp. (the "Company") was incorporated pursuant to the Business Corporations Act of British Columbia on March 11, 2024. The Company's registered office is located at 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company's primary business involves mineral exploration and evaluation. On March 12, 2024, the Company entered into a mineral lease agreement for the Yuma King copper-gold property, located in Southwest Arizona, United States.

These financial statements for the period from March 11, 2024 (incorporation) to November 30, 2024 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at November 30, 2024, the Company had working capital deficiency of $101,121 and an accumulated deficit of $509,726. For the period from March 11, 2024 (incorporation) to November 30, 2024, the Company incurred a net loss and comprehensive loss of $509,726. The Company's ability to continue operations is dependent on generating future cash flows or securing additional financing through debt or equity to support its activities. Management believes that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they come due. However, there is a risk that such financing may not be available on a timely basis or on acceptable terms. These circumstances indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on February 13, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards, as well as information presented in the statements of cash flows.

c) Presentation and functional currency

These financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. References to "US$" or "USD" are to United States dollars.

3. MATERIAL ACCOUNTING POLICIES

a) Financial instruments

Classification

Financial instruments are classified into one of three categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI"), or amortized cost. The classification of financial assets is determined by the Company at the time of initial recognition. Financial liabilities are generally measured at amortized cost unless they fall under specific categories, such as instruments held for trading or derivatives, which are measured at FVTPL. Financial instruments issued by the Company are classified as equity only if they represent a residual interest in the Company's assets after deducting all liabilities and possess no repayment obligation.

3. MATERIAL ACCOUNTING POLICIES (continued)

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	**Classification**
Financial asset	
Cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Promissory notes	Amortized cost

Measurement

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

b) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and expenditures directly related to exploration and evaluation activities. These may include costs for materials, surveying, drilling, and maintaining the interest in exploring and evaluating the property until the mining lease expires, the property is abandoned, or it is considered impaired in value.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

c) Related party transactions

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

d) Share capital and reserves

The Company's common shares and common share purchase warrants are classified as equity instruments. Common share issuances are classified within share capital and outstanding warrants are classified within reserves. Incremental costs directly attributable to the issuance of equity, net of tax, are recorded as a reduction against proceeds received. The Company has adopted the residual value method for measuring the fair value of shares and equity-classified warrants issued as units in private placements. Under this method, proceeds are first allocated to the component with the more reliable fair value estimate, with any residual value assigned to the less easily measurable component. For the Company's unit offering on March 19, 2024, all proceeds were allocated to common shares due to the unavailability of a reliable fair value for the warrants, as there was no publicly quoted share price.

e) Income taxes

Provision for income taxes consists of current and deferred tax expenses. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) Accounting standards issued but not yet adopted

The new standards or amendments issued but not yet effective are either not applicable or not expected to have a significant impact on the Company's financial statements.

g) New accounting pronouncements

Adoption of New Accounting Standards

The new standards, or amendments to standards and interpretations that were adopted by the Company, effective March 11, 2024, are as follows:

Disclosure of Accounting Policies (Amendments to IAS 1)
The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies. The amendments explain that accounting policy information is material if omitting, misstating; or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on, the basis of, those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

This amendment is effective for annual periods beginning on or after January 1, 2023. The adoption of this amendment did not have a material impact on the Company's financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)
The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty".

The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction.

This amendment is effective for annual periods beginning on or after January 1, 2023. The adoption of this amendment did not have a material impact on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Significant areas of judgments, estimates and assumptions include:

a) Going concern

These financial statements have been prepared using IFRS Accounting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future.

b) Recognition of deferred tax assets

The Company recognizes deferred tax assets for tax losses carried forward only when there are sufficient taxable temporary differences (deferred tax liabilities) within the same taxation authority against which the unused tax losses can be utilized. However, the utilization of these tax losses also depends on the Company's ability to meet certain requirements at the time the losses are recouped.

c) Mineral Property Lease

As at November 30, 2024, the Company leases one mineral property, the Yuma King property (the "Yuma King project"). The lease of mineral property carries inherent risks, including challenges in validating claims and potential issues arising from the ambiguous conveyancing history associated with mining properties. The Company has investigated the title to its leased mineral property and, to the best of its knowledge, the title held by the lessor is in good standing.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	November 30, 2024
	$
Prepaid general and administrative expenses	**3,475**
Exploration deposits	**120,640**
	124,115

6. PROMISSORY NOTES

On March 19, 2024, the Company received in aggregate $240,000 under two promissory note agreements with companies under control of its former directors. The promissory notes are payable on demand and accrue interest at 12% per annum, calculated annually on December 31. Any payments made will first be applied to accrued and unpaid interest, with the remainder applied to the principal.

On May 28, 2024, the Company received $30,000 under a promissory note agreement with a former director. The note is payable on demand and accrues interest at 12% per annum, calculated annually on December 31. Any payments made will first be applied to accrued and unpaid interest, with the remainder applied to the principal. On August 9, 2024, the Company repaid a total of $30,600, comprising $30,000 in principal and $600 in accrued interest.

During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company accrued $20,800 in interest expense on the promissory notes.

7. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue unlimited number of common shares without par value. As at November 30, 2024, the Company had 14,800,000 common shares issued and outstanding.

7. SHARE CAPITAL (continued)

b) Issued share capital

During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company has the following share capital transactions:

- On March 19, 2024, the Company completed a private placement and issued 3,000,000 units at a price of $0.005 per unit for gross proceeds of $15,000 to former directors of the Company. Each unit consisted of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at an exercise price of $0.10 and will expire on March 19, 2026. In connection with the private placement, the Company paid $5,329 in cash share issuance costs.
- On May 27, 2024, the Company completed a private placement and issued 3,500,000 common shares at a price of $0.02 per share for gross proceeds of $70,000 of which $66,000 was from the former directors of the Company. In connection with the private placement, the Company paid $4,156 in cash share issuance costs.
- On July 8, 2024, the Company completed a private placement and issued 6,160,000 common shares at a price of $0.02 per share for gross proceeds of $123,200 of which $22,500 was from the CEO and CFO of the Company. In connection with the private placement, the Company incurred $13,309 of share issuance costs, of which $7,773 was paid in cash and $5,536 was included in accounts payable of the Company as at November 30, 2024.
- On November 22, 2024, the Company completed a private placement and issued 2,140,000 common shares at a price of $0.10 per share for gross proceeds of $214,000 of which $2,000 was from the CEO of the Company. In connection with the private placement, the Company incurred $10,801 of share issuance costs and was included in accounts payable of the Company as at November 30, 2024.
- During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company collected $20,000 in subscription proceeds for an outstanding private placement. These subscription proceeds were included as shares to be issued on the statement of financial position as at November 30, 2024.

c) Share purchase warrants

In connection with the private placement of units on March 19, 2024, the Company issued 3,000,000 common share purchase warrants. Each share purchase warrant is exercisable into one common share at an exercise price of $0.10 and will expire on March 19, 2026. On May 28, 2024, the holders of the common share purchase warrants voluntarily surrendered their rights to the issued and outstanding common share purchase warrants and all issued and outstanding common share purchase warrants were cancelled.

8. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures represent the Yuma King project. The project is an advanced porphyry copper, molybdenum, and gold exploration project located in the Ellsworth mining district, within the Granite Wash Mountains of La Paz County, west-central Arizona.

On March 12, 2024, the Company entered into a definitive mining lease with purchase option agreement (“Mining Lease Agreement”), leasing all of the property’s 495 unpatented mining claims and related rights. The annual lease payment to the lessor is US$155,000, with the first payment due on March 26, 2024 (paid $212,815). The agreement grants the Company the option to purchase a 100% undivided interest in the property by paying a total of US$6,000,000 to the lessor before the sixth anniversary of the effective date, minus any annual lease payments made up to that point.

On April 12, 2024, the Company accepted the lessor’s proposal to include an additional 20 additional claims in the Mining Lease Agreement for a total cost of US$15,200 (paid $21,176).

On May 29, 2024, and August 8, 2024, the Company paid a total amount of US$103,000 ($143,148) for the maintenance fees for all of 515 claims under the Yuma King project.

During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company incurred a total of US$30,511 ($42,762) for the preparation of the National Instrument 43-101 Report on the Yuma King project, of which US$12,500 ($17,602) was paid and US$18,011 ($25,160) was included in accounts payable of the Company as at November 30, 2024.

During the period from March 11, 2024 (incorporation) to November 30, 2024, the recorded exploration and evaluation expenditures of $419,901 (US$303,711) were acquisition costs paid as part of the annual lease payment, maintenance fees to the lessor and other exploration related expenditures.

9. RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies controlled by key management personnel. Key management personnel are defined as those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its key management personnel as members of the Board of Directors and corporate officers.

During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company issued promissory notes to its former directors and companies controlled by the directors in exchange for cash receipts of $270,000. On August 9, 2024, the Company repaid a promissory note to a former director for a total of $30,600, consisting of $30,000 in principal and $600 in accrued interest (Note 6). As at November 30, 2024, the balance of the promissory notes, including accrued interest, was $260,200.

During the period from March 11, 2024 (incorporation) to November 30, 2024, the Company issued a total of 6,300,000 common shares to former directors for gross proceeds of $81,000, 625,000 common shares to its CFO for gross proceeds of $12,500, and 520,000 common shares to its CEO for gross proceeds of $12,000.

As at November 30, 2024, amounts due to company controlled by a former director included in accounts payable and accrued liabilities were $13,605. This amount was paid by the former director on behalf of the Company to vendors and relates to consulting and legal fees associated with the Yuma King property. The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at November 30, 2024, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, and promissory notes. All of these financial instruments are classified and measured at amortized cost.

The fair values of cash, accounts payable and accrued liabilities, and promissory notes approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's exposure to credit risk primarily comes from its cash holdings in bank accounts. To mitigate this risk, the Company maintains bank accounts with reputable financial institutions known for their high credit ratings.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk for the Company is associated with its accounts payable and accrued liabilities as well as promissory notes. As the Company has not yet generated income or cash flows, it relies on equity financing to fund its operations. There is no assurance that the necessary financing will be available in a timely manner or on terms acceptable to the Company.

As at November 30, 2024, the Company's cash balance of $126,468 is not sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of $91,504, and promissory notes balance of $260,200. The Company's liquidity risk is high, and it will need to raise cash in the form of debt or equity in order to meet its current obligations and remain a going concern.

c) Currency risk

The Company is exposed to financial risk from fluctuations in foreign exchange rates. While the Company's functional currency is CAD, a portion of its expenses, including payments for evaluation and exploration activities, are denominated in USD. A significant change in the foreign exchange rates between the USD relative to CAD could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuation.

(Expressed in Canadian dollars, except where noted)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As at November 30, 2024, with other variables unchanged, a 10% depreciation or appreciation of the USD against CAD would not result in a material change to the Company's loss.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company does not have any variable interest rate financial liabilities or financial liabilities measured at FVTPL, it is not exposed to significant interest rate risk.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern. The Company currently obtains funding primarily through equity financing. There can be no assurance that the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period ended November 30, 2024. The Company is not subject to externally imposed capital requirements.

12. INCOME TAXES

A summary of the Company’s reconciliation of income taxes at statutory rates with the reported taxes for the period from March 11, 2024 (incorporation) to November 30, 2024, is as follows:

	2024
	$
Net loss for the period	(509,726)
Expected income tax recovery	(137,626)
Share issuance costs	(9,071)
Changes in unrecognized deductible temporary differences	146,697
Provision for income tax recovery	-

The Company has deductible temporary differences for which deferred tax assets have not been recognized due to the uncertainty of their recovery. The significant components of unrecognized deferred income tax assets as at November 30, 2024, are as follows:

	2024
	$
Non-capital losses carried forward	26,067
Mineral resource properties	113,373
Share issuance costs and financing fees	7,257
Total unrecognized deferred income tax assets	146,697

A summary of the Company’s significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position is as follows:

	November 30, 2024	Expiry date range
	$	
Temporary differences:		
Non-capital losses carried forward	96,544	2044
Mineral resource properties	419,901	No expiry date
Share issuance costs and financing fees	26,876	2045 to 2048
	543,321	

12. INCOME TAXES (continued)

The potential benefits of the carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

13. SUBSEQUENT EVENTS

On December 4, 2024, the Company completed a private placement and issued 200,000 common shares at a price of $0.10 per share for gross proceeds of $20,000, collected during the period from March 11, 2024 (incorporation) to November 30, 2024 (Note 7(b)).

On January 8, 2025, pursuant to the terms of a share purchase agreement (the “SPA”) dated December 19, 2024 (the “Acquisition”) Corcel Exploration Inc. (“Corcel”) acquired all of the issued and outstanding shares in the capital of the Company from the shareholders thereof (each, a “Vendor”). In consideration for the Acquisition, the Vendors received 15,000,000 common shares (each, a “Consideration Share”) from Corcel, on a pro rata basis, at a deemed price of $0.09 per Consideration Share, for a total purchase price of $1,350,000. The Consideration Shares are subject to a voluntary restricted period of between four and twelve months from the closing date of the Acquisition.