



QNB METALS INC.

Management Discussion and Analysis

For the nine months ended January 31, 2025

This Management Discussion and Analysis (“MD&A”) provides a discussion and analysis of the financial condition and results of operations of QNB Metals Inc. (“QNB” or the “Corporation”) to enable a reader to assess material changes in the financial condition and results of operations of the Corporation as at and for the nine months ended January 31, 2025 and should be read in conjunction with the condensed interim financial statements and notes thereto for the nine months ended January 31, 2025. All amounts included in this MD&A are in Canadian Dollars, the Corporation’s functional currency.

The condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and follow the same accounting policies and methods of application as the annual financial statements of the Corporation for the year ended April 30, 2024, except as noted below under changes in accounting policies. The interim financial statements should be read in conjunction with the 2024 annual audited financial statements and the notes thereto. The Corporation operates in one segment defined as the cash generating unit which is Canada.

This MD&A has an effective date of April 1, 2025, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

The MD&A is presented in the following sections:

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FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

This MD&A may contain certain forward-looking statements concerning the future performance of QNB’s business, its operations and its financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. These forward-looking statements are based on information currently available to the Corporation and the Corporation provides no assurance that actual results will meet management’s expectations. Forward-looking statements include estimates and statements that describe the Corporation’s future plans, objectives or goals, its ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, and include words to the effect that the Corporation or management expects a stated condition or result to occur. This list is not exhaustive of the factors that may affect any of the Corporation’s forward-looking statements. Statements relating to estimates of resources are also forward-looking statements as they involve risks and assumptions, including but not limited to assumptions with respect to future commodity prices and production economics, that the reserves and resources described exist in the quantities and grades estimated and are capable of economic extraction. Forward-looking statements may be identified by such terms as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”. All forward-looking information is inherently uncertain and subject to risks, uncertainties, and a variety of assumptions to address future events and conditions. These and other factors should be considered carefully and readers should not place undue reliance on the Corporation’s forward-looking statements. The Corporation does not undertake to update any forward-looking statement that may be made from time to time by the Corporation or on its behalf, except in accordance with applicable securities laws.

The preliminary assessments contained in the Technical Report referenced in this MD&A, and the estimates contained therein to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Although the Corporation believes that the expectations conveyed by the forward-looking statements are based upon information available on the date that such statements were made, there can be no assurance that such expectations will prove to be correct. All subsequent forward-looking statements, whether written or orally attributable to the Corporation or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

OUTLOOK

QNB Metals Inc. is an exploration company committed to identifying and advancing opportunities in the natural resource and clean energy sectors and also holds mineral exploration claims on its *Kingsville Salt Project*.

The Corporation holds a 49.9% interest in *Resolve Hydrogen Inc.* which holds patent pending hydrogen detection and storage/production methodologies from geological sources and a highly prospective land package consisting of 119 mineral exploration claims, across 7 claim blocks, covering 6,613 hectares (66 km²) in Northern Quebec, Canada. The land package is known to host elevated levels of hydrogen and is eligible for Quebec super flow through exploration incentives. Fieldwork on these hydrogen claims, with technical support from *Resolve Energie Inc.*, is expected to commence following spring break-up in calendar Q2 2025.

The Corporation holds the exclusive right until April 30, 2025 (the "Option") to acquire all the issued and outstanding common shares of *ReSolve Energie Inc.* This Option would grant the Corporation a 100% interest in *Resolve Hydrogen Inc.* and other highly prospective patent pending IP for other green energy initiatives already prequalified for government grants.

CORPORATE OVERVIEW

QNB Metals Inc. was incorporated under the Canada Business Corporations Act on October 19, 2020. The Company holds a 49.9% interest in *Resolve Hydrogen Inc.* which holds a highly prospective land package for natural or white hydrogen in Ontario and Quebec, using leading patent pending detection and storage technologies and proprietary methodologies, with its joint venture partner who provides technical support and direction, *ReSolve Énergie Inc.*

The Corporation also holds the Kingsville Salt Reservoir Project in Nova Scotia. The address of its head office is 2700-1000 rue Sherbrooke West, Montréal Québec, H3A 3G4, Canada. The Corporation's shares trade on the Canadian Securities Exchange ("CSE") under the symbol "TIM".

The Corporation is engaged in the business of acquiring and exploring mineral projects in the hope of locating economic deposits of minerals. QNB holds the Kingsville Salt Project, an exploration project located in the area of Kingsville, on Nova Scotia's Cape Breton Island, approximately 20 km north of the Port Hawkesbury / Point Tupper industrial area in the Strait of Canso. The project is being explored for the presence of a natural reservoir and salt occurrences to capture and store carbon gas for industrial operations.

EXPLORATION HIGHLIGHTS

Management has reviewed different scenarios and opportunities for its Kingsville Salt Project. A National Instrument 43-101 technical report was commissioned and completed during the nine months ended January 31, 2025 and is on hold pending further investigation. Certain non-essential claims along the southern edge of the property package were allowed to expire in April 2025.

The Corporation incurred exploration and evaluation expenditures of \$16,800 to renew the mining licenses for the Kingsville salt project during the nine months ended January 31, 2025.

No other active exploration activities were undertaken during the period.

In exchange for a 49.9% interest in a newly created subsidiary named *Resolve Hydrogen Inc.*, which holds patent pending natural hydrogen detection and storage methodologies and a highly prospective land package consisting of 119 mineral exploration claims covering 6,613 hectares (66 km²) across 7 claim blocks in Northern Quebec, Canada, the Corporation completed the following:

1. In November 2024, the Corporation completed a private placement financing of \$510,000 in gross proceeds and issued 10,200,000 units at a price of \$0.05 per unit comprised of one common share and one purchase warrant exercisable at \$0.075 for eighteen months from closing.
2. In January 2025, the Corporation announced the issuance of four million common shares and \$50,000 in cash to *Resolve Energie Inc.*, under revised considerably favorable terms.

The mineral exploration claims are known to host elevated levels of hydrogen and are eligible for Quebec super flow through exploration incentives.

Fieldwork on these *Resolve Hydrogen Inc.* claims, using *Resolve Energie Inc.* technical support, is expected to commence following spring break-up in calendar Q2 2025.

FINANCIAL REVIEW

The condensed interim financial statements, including comparatives, have been prepared using International Financial Reporting Standards (“**IFRS**”) applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Corporation is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Corporation's funding initiatives will continue to be successful, and the Corporation's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Corporation will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

This section discusses significant changes in the Interim Statements of Financial Position, Statements of Changes in Shareholders' Equity, Statements of Loss, Comprehensive Loss and Deficit, and Statements of Cash Flows for the nine months ended January 31, 2025.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Corporation's key consolidated financial information for the last eight quarters:

	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Statements of comprehensive loss (for the three month periods ended)								
Operating expenses	1,189,768	144,215	64,676	169,941	76,840	274,684	443,949	160,270
Loss and comprehensive loss	1,189,768	144,215	64,676	169,941	76,840	274,684	443,949	160,270
Loss per share Basic and diluted	0.04	0.01	0.01	0.01	0.02	0.02	0.02	0.01
Statements of financial position (at end of quarter)								
Cash	258,621	176	27,340	19,621	22,316	38,913	4,872	1,440
Accounts Receivables & Prepaid Expenses	44,645	32,515	33,872	71,851	57,216	53,094	46,290	38,294
Total assets	303,266	32,691	61,211	91,742	79,531	92,007	51,162	39,734
Total liabilities	219,999	650,105	614,404	579,989	395,217	330,852	254,972	197,671
Equity	533,267	(617,414)	(553,193)	(488,517)	(315,685)	(238,845)	(203,809)	(157,937)

SIGNIFICANT EVENTS DURING Q3 2025

In January 2025, the Corporation issued consideration in the form of 4,000,000 common shares at a deemed price of \$0.10 and \$50,000 in cash to *Resolve Energie Inc.* in exchange for a 49.9% interest in a newly created subsidiary named *Resolve Hydrogen Inc.*, as further described above under **EXPLORATION HIGHLIGHTS**.

In December 2024, the Company granted 500,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$39,942 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option.

In November 2024, the Corporation completed a private placement financing of \$510,000 in gross proceeds (the "Financing") and issued 10,200,000 units at a price of \$0.05 per unit ("Units") comprised of one common share and one purchase warrant exercisable at \$0.075 for eighteen months from closing ("Warrants"). The Warrants are subject to an accelerated expiry if the volume weighted average trading price of the common shares is equal to or greater than \$0.10 for a period of ten (10) consecutive trading days ("Accelerated Expiry"). There was a total of \$20,184 in cash finders' and other fees paid and a total of 310,000 Warrants subject to the Accelerated Expiry and 50,000 purchase warrants exercisable at \$0.14 for eighteen months from closing. Insiders subscribed for \$7,500 or 150,000 units of the Financing.

In November 2024, the Company granted 650,000 incentive stock options to officers, directors, and consultants at an exercise price of \$0.08, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$51,924 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.08 per stock option.

In September 2024, The Corporation issued 6,100,000 common shares ("Shares") to settle \$305,000 in debt at a deemed price of \$0.05 per share. A total of 5,060,000 Shares were issued to the former CEO, 240,000 Shares to a director and 800,000 Shares to an arm's length party.

In September 2024, the Corporation granted 1,600,000 incentive stock options to officers, directors, and consultants to purchase common shares at an exercise price of \$0.075, with immediate vesting, and a five year term. The estimated fair value, with a five year term and immediate vesting, was \$79,995 using the Black Scholes valuation model. The weighted average grant date fair value was \$0.05 per stock option.

The Corporation incurred exploration and evaluation expenditures of \$16,800 to renew the licenses of the Kingsville Project during the nine months ended January 31, 2025 which were reported as exploration and evaluation expenditures on the Interim Statement of Loss, Comprehensive Loss and Deficit.

OPERATING RESULTS

This section should be read in conjunction with the Condensed Interim Statements of Loss, Comprehensive Loss and Deficit for the nine months ended January 31, 2025 and the corresponding notes thereto.

All references to "Q3 2025" or "Q3 2024" relate to the nine month period ended January 31 of those periods unless stated otherwise. All references to "YTD 2025" or "YTD 2024" relate to the nine month period ended January 31 of those periods unless stated otherwise.

The Corporation reported a loss and comprehensive loss of \$1,189,768 in Q3 2025 (YTD 2025: \$1,398,660) as compared to \$76,840 Q3 2024 (YTD 2024: \$688,166). The variation relates to the increase in share-based compensation related to the warrants and broker warrants issued on the private placement financing and stock options issued to new management and directors.

Exploration and evaluation expenditures were \$Nil in Q3 2025 (YTD 2025: \$16,800) and relate to mining license renewals on the Kingsville Salt Project, as compared to \$13,871 in Q3 2024 (YTD 2024: \$563,221). Share based compensation charges related to stock options were \$91,866 in Q3 2025 (YTD 2025: \$171,861) as compared to \$NIL in Q3 2024 (YTD 2024: \$NIL). Management fees dropped to \$37,500 in Q3 2025 (YTD 2025: \$88,500) from \$49,500 in Q3 2024 (YTD 2024: \$145,667). General & administration expenses were \$5,040 in Q3 2025 (YTD 2025: \$13,814) as compared to \$13,469 in Q3 2024 (YTD 2024: \$25,820). Legal and audit expenses were \$6,521 in Q3 2025 (YTD 2025: \$43,844) from \$Nil in Q3 2024 (YTD 2024: \$60,766).

FINANCIAL POSITION

This section should be read in conjunction with the Condensed Interim Statements of Financial Position and Statements of Changes in Shareholders' Equity as at January 31, 2025 and the corresponding notes thereto.

Assets

Assets were \$303,266 at January 31, 2025 as compared to \$91,472 as at April 30, 2024. Cash in bank was \$258,621 at January 31, 2025 as compared to \$19,621 at April 30, 2024. Receivables were \$NIL at January 31, 2025 as compared to \$71,851 as at April 30, 2024. Sales taxes recoverable was \$44,645 at January 31, 2025 as compared to \$NIL at April 30, 2024.

Interest in Resolve Hydrogen Inc. was \$450,000 at January 31, 2025 as compared to \$NIL at April 30, 2024 representing interest in Resolve Hydrogen Inc. Exploration and evaluation expenditures are expensed to the Statements of Loss, Comprehensive Loss and Deficit.

Liabilities

Liabilities at January 31, 2025 were \$219,999 as compared to \$579,989 at April 30, 2024 and was comprised of accounts payable and accrued liabilities.

Shareholders' equity (deficit)

Shareholders' equity was \$533,267 at January 31, 2025 as compared to a deficit of \$488,517 at April 30, 2024. The change is primarily due to private placement financing completed in November 2024 for \$510,000, the 400,000 shares issued for the joint venture interest, and \$300,000 in share for debt settlement offset by the loss and comprehensive loss of \$208,892 for the nine months ended January 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Condensed Interim Statements of Financial Position as at January 31, 2025 and the corresponding notes thereto.

The working capital ratio at January 31, 2025 was 1.38 : 1 as compared to working capital ratio of 0.16 : 1 at April 30, 2024. At January 31, 2025, the Corporation held cash and equivalents of \$258,621 (April 30, 2024: \$19,621), receivables of \$NIL (April 30, 2024: \$71,851), and sales taxes recoverable of \$44,645 (April 30, 2024: \$NIL).

In November 2024, QNB completed a private placement for gross proceeds of \$510,000 through the issuance of 10,200,000 units at a price of \$0.05 per unit, comprised of one common share and one purchase warrant exercisable at \$0.075 for eighteen months from closing. There was a total of \$20,184 in cash finders' and other fees paid

Current liabilities at January 31, 2025 included accounts payable and accrued liabilities of \$219,999 (April 30, 2024: \$579,989) and related to operating expenses incurred during the period and payable in the normal course and other accruals.

In September 2024, QNB completed a share for debt settlement for \$305,000 of the accounts payable and accrued liabilities through the issuance of 6,100,000 common shares at a deemed price of \$0.05 per share. Creditors included directors, officers and consultants.

The Corporation manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Corporation's ability to continue as a going concern, maximizing the funds invested into exploration activities, exploring its projects, and considering additional financings which minimize shareholder dilution. There were no changes in the Corporation's approach to capital management during the nine months ended January 31, 2025.

The Corporation's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Corporation manages capital in proportion to risk and manages its mineral projects and capital structure based on economic conditions and prevailing commodity pricing and trends. The Corporation relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

QNB has not earned significant revenues to date. As a result, the most meaningful information concerning the Corporation's financial position relates to its liquidity and solvency position. The Corporation raises funds for its operations primarily through the issuance of common shares.

The Corporation believes that it has sufficient working capital to meet its current obligations and currently planned operating costs and expenditures on its mineral projects. The Corporation intends to strategically advance its mineral projects by way of additional exploration programs. QNB intends to seek additional capital resources, when required, from equity financings, including flow-through, as market conditions permit. Although the Corporation has been successful in the past in raising funds, there can be no assurance that any funding required by the Corporation in the future will be available to it and, if such funding is available, that it will be offered on reasonable terms. In the event the Corporation is unsuccessful at raising such funds, it may not be able to continue as a going concern. QNB has no material commitments or contractual obligations with respect to the development of any mineral projects beyond those that would be considered as part of normal business.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Corporation paid fees of \$37,500 in YTD 2025 (YTD 2024: \$Nil) for President and CEO services provided to the Corporation under an ongoing consulting agreement. The Corporation paid fees of \$67,919 in YTD 2025 (YTD 2024: \$145,667) to a former officer for President & CEO services provided to the Corporation under a consulting agreement which ended in fiscal Q2 2025.

A total of 1,850,000 stock options were issued to current and former officers and current and new directors during the nine month period ended January 31, 2025 with an estimated fair value of \$126,863, using the Black Scholes valuation model.

In September 2024, the Corporation issued 6,100,000 common shares ("Shares") to settle \$305,000 in debt at a deemed price of \$0.05 per share. A total of 5,060,000 Shares were issued to the former President & CEO and 240,000 shares to a director.

A director subscribed for \$7,500 or 150,000 units of the private placement financing completed in November 2024.

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to permit timely decisions regarding public disclosure. The CEO and CFO have, as at January 31, 2025, designed Disclosure Controls and Procedures as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Corporation, disclosed in its annual and interim filings, is reported within the respective time periods specified under securities legislation. The Corporation's CEO and CFO have each evaluated the design and effectiveness of the Corporation's disclosure controls and procedures and have concluded that they are operating effectively as at January 31, 2025.

Internal Control over Financial Reporting

The CEO and CFO are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, the CEO and CFO have concluded that the internal controls and procedures are appropriately designed and effective, in all material respects, as at January 31, 2025.

Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, including the possibility of human error and the circumvention or overriding of the controls and procedures by an individual or groups of individuals acting in collusion, they cannot provide absolute assurance that all control issues and instances of fraud, if any, have been prevented or detected. Due to inherent limitations, internal controls over financial reporting and disclosure may not prevent or detect all misstatements. Management will continue to monitor the effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

There were no changes to the Corporation's internal controls during the nine months ended January 31, 2025 that have materially affected, or are likely to materially affect, the internal controls over financial reporting or disclosure controls and procedures. The CEO and CFO will continue to monitor the effectiveness of the internal controls over financial reporting and disclosure controls and procedures and will make changes to the controls as and when appropriate.

CRITICAL ACCOUNTING ESTIMATES

QNB's significant accounting policies are summarized in note 4 to the condensed interim financial statements for the nine months ended January 31, 2025. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly 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. However, actual outcomes may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Corporation's accounting policies that have a significant effect on the amounts recognized in the financial statements.

Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

Exploration and evaluation expenditures

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and

exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

Decommissioning and restoration provision

The Corporation records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Corporation subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss, Comprehensive Loss and Deficit.

As the Corporation has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CHANGES IN ACCOUNTING POLICIES / ADOPTION OF NEW ACCOUNTING STANDARDS

There were changes in accounting policies during the period.

IAS 1, Presentation of Financial Statements (“IAS 1”), was amended in January 2020. The IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify the definition of a right to defer settlement and specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments must be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted. There was no significant impact from the implementation of these amendments on the statement of financial position presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

At the date of authorization of these condensed interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation’s accounting policy for the first period beginning after the effective date of each pronouncement.

Information on new standards, amendments and interpretations have been issued but are not expected to have a material impact on the financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Corporation's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Corporation's statement of financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

Fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The fair value of cash and equivalents, receivables, and sales taxes recoverable, and accounts payable and accrued liabilities, approximate their carrying amounts due to their short term maturities.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Corporation during the period. The objectives and strategy for the exploration and evaluation assets remains unchanged.

The Corporation's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including sales taxes recoverable, royalty income and other receivables, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at January 31, 2025 was \$303,266 (April 30, 2024: \$91,472), and was comprised of \$258,621 (April 30, 2024: \$19,621) in cash held with Canadian financial institutions with a "AA-" credit rating, \$nil (April 30, 2024: \$71,851) in receivables, and \$44,645 (April 30, 2024: \$nil) in sales taxes recoverable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Corporation's primary market risk exposures, and how those exposures are currently managed, follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Corporation has historically had insignificant operations in United States ("US") dollars. The Corporation has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular commodity spot prices, fluctuate and are affected by factors outside of the Corporation's control. This risk is not applicable as the Corporation is not currently in commercial production. The current and expected future spot prices have a significant impact on the market sentiment for investment in

mineral exploration companies and may impact the Corporation's ability to raise equity financing for its ongoing working capital requirements.

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. The Corporation's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Corporation has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Corporation maintains principally all its assets in cash and equivalents.

The Corporation believes that its cash position provides adequate liquidity to meet the Corporation's near-term obligations subject to unforeseen circumstances.

CONTINGENT LIABILITIES

Governmental laws and regulations regarding environmental protection regulate the Corporation's operations. The environmental consequences are not easily identifiable, either in terms of results, the impacts or the expiration date. Currently, and to the best knowledge of its management, the Corporation is in conformity with current laws and regulations.

OUTSTANDING SHARE DATA

As at January 31, 2025, the Corporation had a total of 46,749,961 (January 31, 2024: 25,949,961) common shares outstanding, 3,300,000 (April 30, 2024: 1,000,000) stock options outstanding at an average exercise price of \$0.08 per share (April 30, 2024: \$0.10), and 12,350,000 purchase warrants and 360,000 broker warrants exercisable between \$0.075 - \$0.40 and expiring June 2025, October 2025 and June 2026 (April 30, 2024: 2,150,000 purchase warrants, \$0.16 - \$0.40, June 2025, October 2025). Additional details are available in note 5 to the interim financial statements for the nine months ended January 31, 2025.