

XCITE RESOURCES INC.

FINANCIAL STATEMENTS

For the Three-Months Ended January 31, 2025

Stated in Canadian Dollars

(unaudited)

XCITE RESOURCES INC.

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For the Three-Months Ended January 31, 2025

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XCITE RESOURCES INC.

Statement of Financial Position
(Stated in Canadian dollars)
(unaudited)

As at January 31, 2025 and October 31, 2024

	January 31, 2025	October 31, 2024
Assets		
Current assets:		
Cash	\$ 127,719	\$ 4,807
Goods and services taxes receivable	32,278	29,975
Prepaid expenses	5,599	-
Total current assets	165,596	34,782
Exploration and evaluation asset (Note 3)	286,000	286,000
Option to purchase exploration and evaluation assets (Note 4)	160,500	64,500
Total assets	\$ 612,096	\$ 385,282
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 5)	\$ 166,507	\$ 156,795
Due to related parties (Note 8)	245,463	225,453
Short-term debt (Note 6)	24,000	30,000
Total current liabilities	435,970	412,248
Shareholders' equity:		
Share capital (Note 7)	1,211,058	901,615
Share subscriptions received	-	8,000
Reserves	233,480	233,480
Deficit	(1,268,412)	(1,170,061)
Total shareholder's equity	176,126	(26,966)
Total liabilities and shareholder's equity	\$ 612,096	\$ 385,282

Nature of operations and continuance of business (Note 1)
Commitments (Note 10)
Subsequent events (Note 11)

XCITE RESOURCES INC.

Statement of Loss and Comprehensive Loss
(Stated in Canadian dollars)
(unaudited)

For the Three-Months Ended January 31, 2025 and 2024

	2024	2023
Expenses		
Management consulting fees (Note 8)	\$ 54,500	\$ 20,500
Salaries and wages	16,568	-
Exploration and evaluation expenses	4,376	-
Share-based compensation	-	39,454
Professional fees	4,701	17,406
Transfer agent and filing fees	3,509	5,539
General and administrative expenses	5,580	4,600
Travel	8,970	1,473
Bank charges	147	128
	<u>98,351</u>	<u>89,100</u>
Net loss and comprehensive loss	\$ (98,351)	\$ (89,100)
Weighted average shares outstanding	17,297,396	15,624,417
Loss per share	\$ (0.01)	\$ (0.01)

XCITE RESOURCES INC.

Statement of Changes in Shareholders' Equity
(Stated in Canadian dollars)
(unaudited)

For the Three-Months Ended January 31, 2025

	Share Capital		Share Subscriptions Received	Reserves	Deficit	Total Equity
	# of shares	\$				
Balance, November 1, 2023	15,580,000	\$ 739,161	\$ -	\$ 77,290	\$ (573,151)	\$ 243,300
Exercise of stock options	500,000	87,694	-	(37,694)	-	50,000
Exercise of warrants	216,600	21,660	-	-	-	21,660
Shares issued on property acquisition	300,000	34,500	-	-	-	34,500
Share-based compensation	-	-	-	39,454	-	39,454
Net loss for the period	-	-	-	-	(89,100)	(89,100)
Balance, January 31, 2024	16,596,600	\$ 883,015	\$ -	\$ 79,050	\$ (662,251)	\$ 299,814
Balance, November 1, 2024	16,772,600	\$ 901,615	\$ 8,000	\$ 233,480	\$ (1,170,061)	\$ (26,966)
Shares issued on settlement of short-term debt	60,000	6,000	-	-	-	6,000
Exercise of warrants	2,074,445	207,443	(8,000)	-	-	199,443
Shares issued on property acquisition	600,000	96,000	-	-	-	96,000
Net loss for the period	-	-	-	-	(98,351)	(98,351)
Balance, January 31, 2025	19,507,045	\$ 1,211,058	\$ -	\$ 233,480	\$ (1,268,412)	\$ 176,126

The accompanying notes form and integral part of these financial statements

XCITE RESOURCES INC.

Statement of Cash Flows
(Stated in Canadian dollars)
(unaudited)

For the Three-Months Ended January 31, 2025 and 2024

	2025	2024
Cash provided by (used in):		
Operating activities		
Net loss	\$ (98,351)	\$ (89,100)
Items not affecting cash:		
Share-based compensation	-	39,454
Change in non-cash working capital		
Good and services taxes receivable	(2,303)	(7,586)
Prepaid expenses	(5,599)	-
Accounts payable and accrued liabilities	9,714	22,289
Due to related parties	20,010	(5,505)
Net cash used in operations	(76,529)	(40,448)
Investing activities		
Purchase of exploration and evaluation assets	-	(156,615)
Net cash used in investing activities	-	(156,615)
Financing activities		
Net proceeds from issuance of common shares	199,441	71,660
Short-term loan	-	30,000
Net cash from financing activities	199,441	101,660
Increase (decrease) in cash	122,912	(95,403)
Cash, beginning of period	4,807	106,992
Cash, end of period	\$ 127,719	\$ 11,589

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Xcite Resources Inc. (“Xcite” or the “Company”) is an exploration company incorporated on February 8, 2022 under the laws of the Province of British Columbia, Canada. The Company’s head office and principal address is Suite 1170-1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H13. On February 22, 2023, pursuant to the acceptance of a prospectus, the Company became a listed entity on the Canadian Securities Exchange (“CSE”) with the trading symbol XRI.CN.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding for this year, there is no assurance that such future financing will be available or be available on favorable terms. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, necessary financings, or generate profitable operations in the future.

The Company actively manages its cash flow and investment in exploration and evaluation expenses to match its cash generated from financing activities. In order to maximize cash generated from operations, the Company plans to focus on developing its mineral properties with positive indicators of recoverable resources; minimize operating expenses where possible; and limit capital expenditures. As the Company continues to expend on exploration and evaluation expenses, investments will be financed through external financing. Management believes that successful execution of its business plan will result in sufficient cash flow and new financing to fund projected operational and investment requirements. However, no assurances can be given that the Company will be able to achieve all or part of the objectives discussed above, or that sufficient financing from outside sources will be available. Further, if the Company’s operations are unable to generate cash flow levels at or above current projections, the Company may not have sufficient funds to meet its obligations over the next twelve months.

Should such events occur, management is committed to implementing all or a portion of its contingency plan. This plan has been developed and designed to provide additional cash flow, and includes, but is not limited to, deferring certain additional exploration activities, and reducing general and administrative expenses, while seeking outside financing or seeking a potential partner in the development of its mineral properties.

The failure of the Company to achieve one or all of the above items may have a material adverse impact on the Company’s financial position, results of financial performance and cash flows. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

2. BASIS OF PREPARATION

Statement of Compliance and basis of presentation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed interim financial statements have been prepared on the basis of accounting policies, methods of computation, and estimates and judgements consistent with those applied in the Company's October 31, 2024 annual audited financial statements.

These condensed interim financial statements do not include all of the information required of full audited financial statements and therefore these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended October 31, 2024.

Functional and presentation currency

The financial statements are presented in Canadian Dollars, which is the Company's functional and presentation currency.

Approval of the financial statements

The condensed interim financial statements of the Company for the period ended January 31, 2025, were approved and authorized for issuance by the Board of Directors on April 1, 2025.

3. EXPLORATION AND EVALUATION ASSETS

Turgeon Lake, Quebec

On April 12, 2021, the Company entered into a purchase and sale agreement to acquire 100% interest in the Turgeon Lake Gold Project located in the province of Quebec, consisting of 39 mineral claims covering 2,203.28 hectares. After further amendments, the transaction was completed on April 12, 2023, with the Company having made the following payments and share issuances:

- Cash payments totaling \$120,000, and
- 1,600,000 common share issuances valued at \$166,000.

The Company is also required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the royalty from the vendor by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

The carrying value of the asset is as follows:

As at	January 31, 2025	October 31, 2024
Trade accounts payable	\$ 286,000	\$ 286,000

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

4. OPTIONS ON EXPLORATION AND EVALUATION ASSETS

On December 14, 2023 and as amended subsequent to the year end on December 18, 2024, the Company entered into six individual option agreements with Eagle Plains Resources Ltd. ("EPL"), whereby the Company may earn up to an 80% interest in each of the following properties in northern Saskatchewan. In order to maintain the option agreement in good standing, the Company must:

- (a) pay to EPL on each of the individual option agreements, an aggregate of \$55,000 in cash (\$330,000 in total for all six claims) according to the following schedule:
 - \$5,000 in cash on the execution of the agreement (\$30,000 in total paid)
 - an additional \$10,000 in cash on or before June 30, 2025; (\$60,000 in total) and
 - an additional \$10,000 in cash on or before December 31, 2025; (\$60,000 in total) and
 - an additional \$10,000 in cash on or before December 31, 2026; (\$60,000 in total) and
 - an additional \$20,000 in cash on or before December 31, 2027; (\$120,000 in total) and
- (b) issue to EPL on each of the individual option agreements an aggregate of 750,000 shares (4,500,000 shares in total for all six claims) according to the following schedule:
 - 50,000 shares on the execution of this agreement (300,000 issued in total), and
 - an additional 100,000 shares on or before December 31, 2024 (600,000 issued in total); and
 - an additional 150,000 shares on or before December 31, 2025; (900,000 in total) and
 - an additional 200,000 shares on or before December 31, 2026; (1,200,000 in total) and
 - an additional 250,000 shares on or before December 31, 2027; (1,500,000 in total) and
- (c) incur aggregate exploration expenditures on the property on each of the individual option agreements of \$3,200,000 (\$19,200,000 in total for all six claim) according to the following schedule:
 - \$50,000 on or before June 30, 2025 (\$300,000 in total); and
 - an additional \$150,000 on or before December 31, 2025; (\$900,000 in total) and
 - an additional \$1,000,000 on or before December 31, 2026; (\$6,000,000 in total) and
 - an additional \$2,000,000 on or before December 31, 2027; (\$12,000,000 in total).

The Company is also required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the royalty from the vendor by making a payment of \$2,000,000 to the vendor.

The six properties are:

Gulch – 1,685 hectares, Beaver River – 1,455 hectares, Black Bay – 1,114 hectares, Don Lake - 524 hectares, Lardo - 245 hectares and Smitty - 882 hectares. The payments made and shares issued for each property are as follows:

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

4. OPTIONS ON EXPLORATION AND EVALUATION ASSETS (continued)

	Gulch Property	Beaver River Property	Don Lake Property	Larado Property	Blackbay Property	Smitty Property	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, October 31, 2023	-	-	-	-	-	-	-
Acquisition costs							
Cash deposits	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Shares issued	5,750	5,750	5,750	5,750	5,750	5,750	34,500
Balance, October 31, 2024	10,750	10,750	10,750	10,750	10,750	10,750	64,500
Acquisition costs							
Shares issued	16,000	16,000	16,000	16,000	16,000	16,000	96,000
Balance, January 31, 2025	26,750	26,750	26,750	26,750	26,750	26,750	160,500

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are non-interest bearing and detailed below:

As at	January 31, 2025	October 31, 2024
Trade accounts payable	\$ 148,807	\$ 139,095
Accrued accounts payable	17,700	17,700
	\$ 166,507	\$ 156,795

6. SHORT-TERM LOAN

In December 2023, the Company was advanced \$30,000 that is unsecured, non-interest bearing, and has no repayment terms. During the three-month period ended January 31, 2025, \$6,000 of the notes were converted to 60,000 common shares.

7. SHARE CAPITAL

(a) Common shares

The company is authorized to issue an unlimited number of common shares without par value.

As at January 31, 2025, the Company had 19,507,045 common shares issued and outstanding. Transactions in the Company's shares were as follows for the period ended January 31, 2025:

For the period ended January 31, 2025

- On December 31, 2024, the Company issued 600,000 common shares on the acquisition of the six Eagle Lake properties with a fair value of \$96,000. (See Note 5)
- During the period ended January 31, 2025, the Company issued 2,074,445 common shares for gross proceeds \$207,445 on the exercise of share purchase warrants, of which \$8,000 was received in the prior year.
- On January 30, 2025, the Company issued 60,000 common shares on the settlement of \$6,000 of the short-term debt.

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

7. SHARE CAPITAL (continued)

For the year ended October 31, 2024

- On December 21, 2023, the Company issued 300,000 common shares on the acquisition of the six Eagle Lake properties with a fair value of \$34,500. (See Note 5)
- On January 10, 2024, the Company issued 500,000 common shares for gross proceeds of \$50,000 resulting from the exercise of stock options. When the stock options were granted, the fair value of those options recorded as a reserve was \$37,694 and upon exercise, that amount was transferred to share capital.
- During the year ended October 31, 2024, the Company issued 392,600 common shares for gross proceeds \$40,260 on the exercise of share purchase warrants.
- During the year ended October 31, 2024, the Company collected \$8,000 on the exercise of share purchase warrants that have not yet been issued.

(b) Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the Company's issued and outstanding shares at the date of grant of the options. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the Company's shares on the CSE on (a) the date on which the Board of Directors grants and announces options (the "Award Date") and (b) the day prior to the Award Date. The Board of Directors may at any time and from time to time, fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him/her.

The continuity of share purchase options for the period ended January 31, 2025 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, October 31, 2023	1,320,000	\$ 0.10
Exercised	(500,000)	0.10
Issued as compensation to officer/director	600,000	0.13
Balance, October 31, 2023 and January 31, 2025	1,420,000	0.11

(c) The following share purchase options were outstanding as at January 31, 2025:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
		\$	
February 22, 2028	400,000	0.10	3.06
February 22, 2025	420,000	0.10	0.06
January 10, 2029	500,000	0.13	3.95
May 3, 2029	100,000	0.20	4.25
	1,420,000	0.11	2.57

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

7. SHARE CAPITAL (continued)

(c) Warrants

The continuity of share purchase warrants for the period ended January 31, 2025 is as follows:

	Number of Shares Upon exercise	Number of Warrants	Weighted Average Exercise Price
			\$
Balance, October 31, 2023	6,845,000	6,845,000	0.17
Granted	1,200,000	1,200,000	0.13
Exercised	(392,600)	(392,600)	0.10
Expired	(2,940,000)	(2,940,000)	0.27
Balance, October 31, 2024	4,712,400	4,712,400	0.11
Exercised	(2,074,445)	(2,074,445)	0.10
Balance, January 31, 2024	2,637,955	2,637,955	0.10

The following share purchase warrants were outstanding as at January 31, 2025:

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
		\$	
February 8, 2026	1,437,955	0.10	1.02
January 10, 2028	1,200,000	0.10	2.94
	2,637,955	0.10	1.89

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined the key personnel to be officers and directors of the Company.

Payments and accrual were made to the following officers and directors or to companies controlled by these officer and directors.

Management and consulting fees to the CEO and director of \$30,000 (2024 – nil).

Management and consulting fees to the CFO and director of \$4,500 (2024 - \$4,500).

Management and consulting fees to a former CEO and director of nil (2024 – \$16,000).

As at January 31, 2025, \$245,463 (October 31, 2024 - \$225,453) were owed to related parties for the above services.

Transactions with related parties are in the normal course of business and initially recorded at fair value.

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

9. RISK AND CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the development of mineral property assets. Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There have been no changes from the prior year.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2024, the Company had a cash balance of \$127,719 (October 31, 2024 - \$4,807) to settle current liabilities of \$435,970 (October 31, 2024 - \$412,248). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. To maintain liquidity, the Company is currently investigating financing opportunities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at January 31, 2025 and October 31, 2024, the Company did not have any investments in investment-grade short-term deposit certificates.

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

XCITE RESOURCES INC.

Notes to the Financial Statements
(Stated Amounts in Canadian dollars)

For the Three-Months Ended January 31, 2025 and 2024

10. COMMITMENTS

As a result of the acquisition of the Turgeon Lake Property described in Note 5, the Company is required to grant a 2% Net Smelter Returns Royalty ("NSR") to the vendor. The Company maintains the right to purchase half of the royalty from the vendor by making a payment of \$1,000,000 to the vendor. In addition, the Turgeon Lake Property is subject to an additional 2% NSR in favour of the prospectors who staked the property.

11. SUBSEQUENT EVENTS

On February 6, 2025, Xcite issued 17,895 common shares for gross proceeds of \$1,914 on the exercise of warrants.