FORMATION METALS INC.

Interim Financial Statements
(Expressed in Canadian Dollars)

For the nine months ended December 31, 2024

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

March 3, 2025

FORMATION METALS INC.
Interim Statement of Financial Position
(Expressed in Canadian dollars)
As at

	December 31, 2024 (Unaudited)	March 31, 2024
ASSETS		
Current		
Cash (Note 5)	$ 1,146,131	$ 713,416
Prepaid expenses	144,550	-
Receivables	55,988	8,214
	1,346,669	721,630
Exploration and evaluation assets (Note 6)	665,275	530,269
	$ 2,011,944	$ 1,251,899
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 120,912	$ 34,482
Shareholders' equity		
Share capital (Note 8)	2,678,137	1,478,471
Reserves (Note 8d)	585,127	-
Deficit	(1,372,232)	(261,054)
	1,891,032	1,217,417
	$ 2,011,944	$ 1,251,899

Nature of business and continuing operations (Note 1)

Approved on Behalf of the Board on March 3, 2025:

"Deepak Varshney"
Deepak Varshney, Director

"Navin Kumar Varshney"
Navin Kumar Varshney, Director

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

FORMATION METALS INC.

Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
EXPENSES				
Consulting fees	$ 83,850	$ -	$ 83,850	$ 32,750
Office and miscellaneous	22,855	35,988	27,092	55,791
Professional fees (Note 7)	12,243	12,840	42,690	46,092
Regulatory and filing fees	22,756	2,691	26,655	4,975
Share-based payments (Note 6d)	925,393	-	925,393	-
Travel and entertainment	3,473	-	4,901	-
Transfer agent fees	1,120	640	1,440	2,647
	1,086,690	52,159	1,127,021	142,255
Interest income	(4,709)	(4,437)	(15,843)	(4,437)
Loss and comprehensive loss for the period	$ 1,081,981	$ 47,722	$ 1,111,178	$ 137,818
Basic and diluted loss per common share (Note 9)	$ 0.04	$ 0.00	$ 0.04	$ 0.01
Weighted average number of common shares outstanding - basic and diluted (Note 9)	30,015,841	21,665,257	27,902,299	12,901,823

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

FORMATION METALS INC.

Interim Statement of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital (Note 8)				
	Shares	Amount	Reserves	Deficit	Total Shareholders' Equity
Balance, March 31, 2023	1	$ 1	$ -	$ (119,108)	$ (119,107)
Shares delisted pursuant to spin-out	(1)	(1)	-	-	(1)
Shares issued pursuant to spin-out	9,480,474	528,471	-	-	528,471
Shares issued pursuant to private placement	17,000,000	850,000	-	-	850,000
Shares issued for debt settlement	2,000,000	100,000	-	-	100,000
Loss and comprehensive loss for the period	-	-	-	(137,818)	(137,818)
Balance, December 31, 2023	28,480,474	$ 1,478,471	$ -	$ (256,926)	$ 1,221,545
Balance, March 31, 2024	28,480,474	$ 1,478,471	$ -	$ (261,054)	$ 1,217,417
Stock options exercised (Note 8d)	2,840,000	535,181	(151,781)	-	383,400
Share-based payments (Note 8d)	-	-	925,393	-	925,393
Restricted share units (Note 8d)	2,840,000	188,485	(188,485)	-	-
Warrants exercised (Note 8e)	2,380,000	476,000	-	-	476,000
Loss and comprehensive loss for the period	-	-	-	(1,111,178)	(1,111,178)
Balance, December 31, 2024	36,540,474	$ 2,678,137	$ 585,127	$ (1,372,232)	$ 1,891,032

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

FORMATION METALS INC.
Interim Statement of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	$ (1,111,178)	$ (137,818)
Adjustment for item not involving cash:		
Share-based payments	925,393	100,000
Changes in non-cash working capital items:		
(Increase) in accounts receivable	(47,774)	(54,417)
Increase (decrease) in accounts payable and accruals	86,430	(72,439)
Net cash used in operating activities	(291,679)	(164,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(135,006)	(1,442)
Net cash used in investing activities	(135,006)	(1,442)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of share capital	859,400	850,000
Net cash provided in financing activities	859,400	850,000
Increase in cash for the period	432,715	683,884
Cash, beginning of period	713,416	2,005
Cash, end of period	$ 1,146,131	$ 685,889
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Formation Metals Inc. (the "Company") was incorporated on March 1, 2022, under the laws of British Columbia. The Company's head office address is 1575 Kamloops Street, Vancouver BC V5K 3W1. The registered and records office address is 400 – 1681 Chestnut Street, Vancouver BC V7Y 1G5.

The Company's principal business activities include the acquisition and exploration of mineral property assets. On March 10, 2022, the Company entered into an Arrangement Agreement (the "Arrangement") with Usha Resources Ltd.("USHA"), a company with common directors, to transfer the Nicobat Nickel-Copper-Cobalt property to the Company whereby USHA shareholders will be issued one (1) share of the Company with respect to every five (5) shares of USHA owned on the share distribution record date (the "Share Distribution Record Date"). The Arrangement was completed on April 20, 2023 (Note 6).

The Company's exploration and evaluation properties are at the exploration stage. The business of exploring for minerals and mining involves a high degree of risk. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

The Company has a loss of $1,081,981 for the three months ended December 31, 2024, which resulted in an accumulated deficit of $1,891,032 as at December 31, 2024. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

These unaudited interim consolidated financial statements have been prepared in accordance with IFRS Accounting 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. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2024, the Company have not advanced its properties to commercial production and is not able to finance day to day activities through operations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include but are not limited to the inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time. While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company 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.

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

2. STATEMENT OF COMPLIANCE

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited interim financial statements follow the same accounting policies and methods of application as the Company's March 31, 2024 annual audited financial statements however do not include all financial information required for full annual financial statement presentation and should be read in conjunction with the annual financial statements for the year ended March 31, 2024.

The Company's unaudited interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

3. BASIS OF PRESENTATION

These unaudited interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgments

Going Concern

The Company's management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Asset carrying values and impairment

The Company performs impairment testing when impairment indicators are present. In the determination of carrying values and impairment charges, management considers the recoverable amount which is the greater of fair value less costs of disposal and value in use in the case of mining assets. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Estimates

Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants recorded as marketable securities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

(Expressed in Canadian dollars)

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets after an impairment test and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

5. CASH

Cash of $1,146,131 (2023 - $685,889) consist of:

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Bank balances	$ 1,146,131	$ 685,889

6. EXPLORATION AND EVALUATION OF ASSETS

During the year ended March 31, 2024, the Company completed a plan of arrangement with USHA whereby the Company issued 9,480,474 common shares valued at $528,471 as consideration in connection with the spin-off of USHA's Nicobat Nickel-Copper-Cobalt property. The property is subject to a 2% net smelter returns royalty of which 1.5% can be repurchased for USD$2,000,000 until the end of the five-year period commencing from the date the property is put into commercial production. The Property is located in Dobie Township, near the village of Emo and the town of Fort Francis, Ontario and is focused on nickel copper and cobalt exploration.

(Expressed in Canadian dollars)

During the nine months ended December 31, 2024, the Company performed no significant exploration and evaluation activities.

Acquisition Costs		**Nicobat, Ontario**
Balance, March 31, 2023	$	-
Contribution from spin-out assets:		
Acquisition costs		245,000
Consulting fees		36,094
Title claim fees		3,077
Geological reports		13,368
Assay sampling		23,313
Drilling expenses		197,229
Field expenses		10,390
Balance, March 31, 2024 and December 31, 2024	$	528,471
Exploration Advances:		
Balance, March 31, 2023 and March 31, 2024		-
Exploration advance		134,985
Balance, December 31, 2024		134,985
Exploration Expenditures:		
Balance, March 31, 2023	$	-
Field Expenses		1,441
Title claim fees		357
Balance, March 31, 2024	$	1,798
Title claim fees		21
Balance, December 31, 2024	$	21
Balance, December 31, 2024	**$**	**665,275**

7. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

(Expressed in Canadian dollars)

Name of the Key management personnel	Company's Name	Nature of Transaction	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Deepak Varshney, CEO	1473632 BC Ltd.	Consulting fees and reimbursements	36,026	162
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees and reimbursements	13,500	6,000

Accounts payable included $61,864 (2023 – $2,162) owed to directors and officers of the Company for operating expenses paid on behalf of the Company during the nine months ended December 31, 2024.

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at December 31, 2024, the issued share capital was comprised of 36,540,474 common shares.

During the nine months ended December 31, 2024, the Company issued 8,060,000 common shares pursuant to various warrants and stock options exercises as stated below:

i) 2,840,000 stock options were exercised at a price of $0.135 per share.

ii) 2,840,000 restricted share units were converted at a price of $0.215 per share.

iii) 2,380,000 warrants were exercised at a price of $0.20 per share.

As at December 31, 2023, the issued share capital was comprised of 28,480,474 common share.

(c) Escrowed shares

As at December 31, 2024, 1,640,720 common shares are held in escrow pursuant to the requirements of the Exchange. In usual case the escrow shares will be released as follows:

On the date the Issuer's securities are listed on a Canadian exchange (the listing date)	1/4 of your escrow securities
6 months after the listing date	1/3 of your escrow securities
12 months after the listing date	1/2 of your escrow securities
18 months after the listing date	your remaining escrow securities

(Expressed in Canadian dollars)

(d) Stock options and restricted share units

The Company maintains a Stock Option Plan under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under this plan, the number of stock option units that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant.

The exercise price of an option will be set by the board at the time such option is allocated under this plan, and cannot be less than the price prescribed by the policies of the Exchange. The options can be granted for a maximum term of ten years and vest at the discretion of the Board of Directors.

The Company also maintains a Restricted Share Unit Plan under which it is authorized to grant restricted share units to executive officers, directors, employees, and consultants. Under the Plan, the number of restricted share units that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant.

During the nine months ended December 31, 2024, the Company granted 5,940,000 stock options (2023 – nil) having a total fair value of $451,386 (2023 - $nil) and a weighted average grant-date value of $0.17 (2023 – $nil) per option. During the nine months ended December 31, 2024, the Company recognized share-based compensation of $451,386 (2023 – $nil) relating to options vested during the period.

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	December 31, 2024	**December 31, 2023**
Risk-free interest rate	3.03%	Nil%
Expected dividend yield	Nil	Nil
Expected stock price volatility	50.51%	Nil%
Expected life	1.04 years	Nil
Expected forfeiture rate	Nil	Nil

During the nine months ended December 31, 2024, 2,840,000 of the outstanding stock options were exercised. The corresponding amount of $151,781 was transferred from reserves to share capital.

The following stock options were outstanding and exercisable as at December 31, 2024:

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2023, and March 31, 2024	-	$ -
Granted	5,940,000	0.17
Exercised	(2,840,000)	0.14
Outstanding, December 31, 2024	3,100,000	$ 0.20

(Expressed in Canadian dollars)

The following stock options were outstanding and exercisable as at December 31, 2024:

	Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
Options	1,000,000	1,000,000	$ 0.20	November 8, 2025	1.85
Options	500,000	500,000	$ 0.20	November 8, 2025	1.85
Options	500,000	500,000	$ 0.20	November 8, 2025	1.85
Options	250,000	250,000	$ 0.20	November 8, 2025	1.85
Options	250,000	250,000	$ 0.20	November 8, 2025	1.85
Options	250,000	250,000	$ 0.20	November 8, 2025	1.85
Options	250,000	250,000	$ 0.20	November 8, 2025	1.85
Options	100,000	100,000	$ 0.20	November 8, 2025	1.85

During the nine months ended December 31, 2024, the Company granted 5,050,000 restricted share units (RSUs) (March 31, 2024 – nil) having a total fair market value of $474,007 (March 31, 2024 - $nil) and recognized a share-based compensation of $474,007 (March 31, 2024 – $nil) relating to RSUs vested during the period.

A summary of changes in outstanding restricted share units is as follows:

	Number
Outstanding, March 31, 2023, and March 31, 2024	-
Granted	5,050,000
Converted to equity	(2,840,000)
Outstanding, December 31, 2024	2,210,000

The following restricted share units were outstanding as at December 31, 2024:

	Number of RSUs outstanding	Number of RSUs exercisable	Expiry Date	Remaining contractual life (years)
Options	700,000	700,000	December 10, 2027	2.94
Options	850,000	850,000	December 10, 2027	2.94
Options	160,000	160,000	December 10, 2027	2.94
Options	500,000	500,000	December 10, 2027	2.94

(e) Warrants

As at December 31, 2024, the Company had 16,620,000 warrants outstanding.

A summary of changes in outstanding warrants is as follows:

(Expressed in Canadian dollars)

	Warrants outstanding	Weighted Average Exercise Price
Outstanding and exercisable at March 31, 2023	-	$ -
Warrants issued	19,000,000	0.20
Outstanding and exercisable at March 31, 2024	19,000,000	0.20
Warrants exercised	(2,380,000)	0.20
Outstanding and exercisable at December 31, 2024	16,620,000	$ 0.20

The following warrants were outstanding at December 31, 2024:

	Number of warrants	Exercise Price	Expiry Date
Warrants:			
Common share purchase warrants	16,620,000	$ 0.20	November 3, 2025

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended December 31, 2024 was based on the loss attributable to common shareholders of $1,111,178 (2023 – $137,818) and the weighted average number of common shares outstanding of 27,902,299 (2023 – 12,901,823).

The calculation of basic and diluted loss per share for the three months ended December 31, 2024 was based on the loss attributable to common shareholders of $1,081,981 (2023 – $47,722) and the weighted average number of common shares outstanding of 30,015,841 (2023 – 21,665,257).

10. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in the Company's approach to capital management during the nine months ended December 31, 2024.

11. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) 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 Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at December 31, 2024, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party 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 the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its positive working capital position. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. The risk to the going concern assumption is outlined in Note 1.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

(Expressed in Canadian dollars)

- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market date.

As at December 31, 2024, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities which are classified at amortized cost. The fair value approximates the carrying value because of the short-term nature of the instruments.

12. SUBSEQUENT EVENTS:

The Company completed its Warrant incentive program and received proceeds totaling $1,209,000 through the exercise of 6,045,000 eligible warrants.

The Company entered into an option agreement with Wallbridge Mining, to acquire a 100% interest in the N2 Property located in Northwestern Quebec. The Company can acquire a 100% interest in the property by paying an aggregate of $550,000 in cash to Wallbridge Mining, issuing an aggregate of 4,000,000 common shares to Wallbridge Mining and completing $5,000,000 of work expenditures on the Property as indicated in the table below:

	Common shares	Cash payment	Work commitment
Signing	1.000,000	$ 50,000	$ -
1st Anniversary	1,000,000	50,000	400,000
2nd Anniversary	1,000,000	50,000	600,000
3rd Anniversary	-	100,000	1,200,000
4th Anniversary	-	100,000	-
5th Anniversary	-	100,000	-
6th Anniversary	1,000,000	100,000	2,800,000
	4,000,000	$ 550,000	$ 5,000,000