ADELPHI METALS INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED NOVEMBER 30, 2024 AND THE PERIOD FROM INCOPORATION ON AUGUST 18, 2023 TO NOVEMBER 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Adelphi Metals Inc.

Opinion

We have audited the accompanying financial statements of Adelphi Metals Inc. (the "Company"), which comprise the statements of financial position as at November 30, 2024 and 2023, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the year ended November 30, 2024 and the period from incorporation on August 18, 2023 to November 30, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024 and 2023, and its financial performance and its cash flows for the year ended November 30, 2024 and the period from incorporation on August 18, 2023 to November 30, 2023, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has working capital of $68,283 and an accumulated deficit of $218,883. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 4 to the financial statements, the carrying amount of the Company's E&E Assets was $207,583 as of November 30, 2024. As more fully described in Note 3 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements including reviewing option agreements and vouching cash payments and share issuances.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 28, 2025

ADELPHI METALS INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	November 30, 2024	November 30, 2023
ASSETS		
CURRENT		
Cash	$ 184,594	$ 124,483
Amounts receivable	11,300	1,287
Prepaid	-	14,500
	195,894	140,270
Exploration and evaluation assets (Note 4)	207,583	103,965
	$ 403,477	$ 244,235
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	$ 127,611	$ 68,011
	127,611	68,011
Deferred tax liabilities (Note 10)	-	11,000
	127,611	79,011
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	423,949	177,750
Contributed surplus (Note 5)	70,800	-
Subscriptions receivable (Note 5)	-	(20,000)
Retained earnings (deficit)	(218,883)	7,474
	275,866	165,224
	$ 403,477	$ 244,235

Nature of business and continuing operations (*Note 1*)

Approved on behalf of the Board:

"Mike England"
Director

"Tom McCandless"
Director

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

ADELPHI METALS INC.
STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)

		For the year ended November 30, 2024		From the period from incorporation on August 18, 2023 to November 30, 2023
EXPENSES				
Consulting fees (Note 7)	$	17,500	$	7,500
Filing and transfer agent fees		39,840		1,930
Flow-through premium recovery (Note 6)		-		(60,000)
Office expenses		5,096		150
Management fees (Note 7)		15,000		-
Professional fees		117,821		31,946
Share-based compensation (Note 7)		42,100		-
NET INCOME (LOSS) BEFORE TAXES		(237,357)		18,474
Deferred tax recovery (expense) (Note 10)		11,000		(11,000)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$	(226,357)	$	7,474
INCOME (LOSS) PER SHARE – BASIC AND DILUTED	$	(0.02)	$	0.00
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		9,168,033		5,805,288

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

ADELPHI METALS INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the year ended November 30, 2024	For the period from incorporation on August 18, 2023 to November 30, 2023
OPERATING ACTIVITIES		
Net income (loss) for the year	$ (226,357)	$ 7,474
Item not affecting cash:		
Stock-based compensation	42,100	-
Deferred tax (recovery)	(11,000)	11,000
Reversal of flow through liabilities	-	(60,000)
Changes in non-cash working capital balances:		
Amounts receivable	(10,013)	(1,287)
Prepaids	4,500	(4,500)
Accounts payable and accrued liabilities	98,065	29,546
Cash used in operating activities	(102,705)	(17,767)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(69,583)	(65,500)
Exploration advances	-	(10,000)
Cash used in investing activities	(69,583)	(75,500)
FINANCING ACTIVITIES		
Proceeds from private placements	370,000	217,750
Share issue cost – cash	(137,601)	-
Cash provided by financing activities	232,299	217,750
CHANGE IN CASH	60,111	124,483
CASH, BEGINNING OF YEAR	124,483	-
CASH, END OF YEAR	$ 184,594	$ 124,483
SUPPLEMENTAL CASH FLOW DISCLOSURES		
To reclassify E&E advances	$ 10,000	$ -
Shares issued for E&E assets	$ 62,500	$ -
Compensation warrants received for IPO	$ 28,700	$ -
Subscriptions receivable	$ -	$ 20,000
Flow-through premium liability	$ -	$ 60,000
Exploration and evaluation assets included in accounts payable	$ -	$ 38,465

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

ADELPHI METALS INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common shares					
	Number of shares	Amount	Contributed surplus	Subscriptions receivable	Retained earnings (deficit)	Total equity
As at August 18, 2023	-	$ -	$ -	$ -	$ -	$ -
Incorporation share issued	1	1	-	-	-	1
Share repurchased and cancelled	(1)	(1)	-	-	-	(1)
Private placements	9,000,000	237,750	-	(20,000)	-	217,750
Flow-through premium liability	-	(60,000)	-	-	-	(60,000)
Net income and comprehensive income	-	-	-	-	7,474	7,474
As at November 30, 2023	9,000,000	177,750	-	(20,000)	7,474	165,224
Shares issued for initial public offering	3,500,000	350,000	-		-	350,000
Share issuance costs - cash	-	(137,601)	-	-	-	(137,601)
Share issuance costs - options	-	(28,700)	28,700	-	-	-
Shares issued for exploration and evaluation assets	250,000	62,500	-	-	-	62,500
Subscriptions receivable	-	-	-	20,000	-	20,000
Share-based payments	-	-	42,100	-	-	42,100
Net loss and comprehensive loss	-	-	-	-	(226,357)	(226,357)
As at November 30, 2024	**12,750,000**	**$ 423,949**	**$ 70,800**	**$ -**	**$ (218,883)**	**$ 275,866**

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Adelphi Metals Inc. was incorporated on August 18, 2023 under the laws of the province of British Columbia. The address of the Company's corporate office and principal place of business is Suite 700 - 401 West Georgia Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2024, the Company has not yet determined whether the Company's mineral property assets contains ore reserves that are economically recoverable. The recoverability of the amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, which contemplates that the Company will continue in operation for the next twelve months and that it will be able to realize its assets and meet its liabilities in the normal course of operations. Realization value may be substantially different from carrying value as shown, and these financial statements do not give effect to adjustments that would be necessary to the carrying values, classification of assets and liabilities should the Company be unable to continue as a going concern. As of November 30, 2024, the Company had not yet achieved profitable operations, has working capital of $68,283 and an accumulated deficit of $218,883. Management has carried out an assessment of the going concern assumption and has concluded that the Company may not have sufficient cash and cash equivalents and other financial assets to continue operating at current levels for the ensuing twelve months. The Company's forecast indicates the existence of material uncertainty that raises significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to raise additional equity.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on the basis of IFRS standards that are effective for the Company's reporting year ended November 30, 2024.

Approval of the Financial Statements

The financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on March 28, 2025.

Basis of Measurement

These financial statements have been prepared on the historical basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand, and deposits held at call with financial institutions .

b) Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting judgments

i. in assessing the probability of realizing potential income tax assets, management makes judgments related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities; and
ii. the assessment of the potential impairment of the carrying value and recoverability of the exploration and evaluation assets included in the statement of financial position is based on management's best judgment of the prospect.
iii. the evaluation of the Company's ability to continue as a going concern.

c) Income Taxes

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

d) Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share amounts are calculated assuming that the proceeds received from the exercise of stock options and warrants would be used to repurchase shares at the prevailing market rate. When a loss is incurred during the period, this calculation is considered to be anti-dilutive.

e) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in profit or loss. The Company currently has incurred no comprehensive income or loss.

f) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

g) Valuation of equity units issued in private placements

The Company records proceeds from issuances of equity net of issue costs and any related tax effects. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their quoted trading price at issuance, and the residual amount, if any, is attributed to the value of the warrants. Any fair value attributed to the warrants is recorded within the reserve.

h) Share-based payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense offset by reserves. The fair value of share-based compensation is determined using the Black-Scholes option pricing model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in the reserves, are credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the equity instruments. Otherwise, share based compensation are measured at the fair value of the goods or the services received.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

i) Financial Instruments

On initial recognition financial assets are classified as and measured at:
i. Amortized cost;
ii. Fair value through other comprehensive income (“FVOCI”); and
iii. Fair value through profit and loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method. The ‘effective interest rate’ is the rate that amortizes the future cash flows of a financial instrument over the life of the instrument or a shorter period, if deemed appropriate.

Financial instruments under this classification include cash.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (“OCI”), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss in the period in which it arises.

The Company does not have any assets classified at FVTPL.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

i) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as and measured at (i) FVTPL; (ii) FVOCI; or (iii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL or FVOCI.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable and accrued liabilities at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statement loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

j) Exploration and evaluation assets ("E&E Assets")

Once the Company obtains legal title or right to a mineral property, all costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of exploration and evaluation assets for which events and circumstances may indicate possible impairment. The recoverability of the carrying amounts of E&E Assets is dependent on maintaining the rights and title to E&E Assets, continued plans to explore the property in question, identifying the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the exploration for and development of such ore reserves. The Company has not yet determined whether any of its E&E Assets contains economically recoverable reserves. Where indicators of impairment are identified for E&E Assets, the Company must determine the recoverable amount of the property in question. In the event that the recoverable amount expected from the property's use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

k) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (*continued*)

l) Impairment of Non-Financial Assets

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

m) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. The proceeds received on issuance of the flow-through share or unit are allocated as follows: i) to the fair value of the common share based on the market price of the Company's shares; ii) to attached warrants (if any); and iii) to the flow-through premium. The allocation to the attached warrants and flow-through premium are done using the residual value method. The premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

n) Adoption of new accounting standards, interpretations and amendments

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Adoption of new accounting standards, interpretations and amendments (continued)

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non‐current based on contractual arrangements in place at the reporting date.

These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

4. EXPLORATION AND EVALUATION ASSETS

Triple R Property

On August 25, 2023,and amended September 19, 2023, the Company entered into an agreement to acquire a 100% undivided interest in the Triple R Property consisting of 8 claims located east of Beaverdell, British Columbia.

In consideration of the Triple R Property, the Company shall make the following payments:

<u>Cash payments</u>

i) $15,000 upon signing the option agreement (paid); and
ii) $25,000 on or before November 25, 2024 (paid).

<u>Share issuances</u>

i) 250,000 common shares upon listing of the Company's common shares on a Canadian Stock Exchange (issued and valued at $62,500).

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

A summary of the Company's exploration and evaluation assets is as follows:

	Triple R Property
Acquisition Costs:	
Balance, August 18, 2023	$ -
Cash payment	15,500
Balance, November 30, 2023	15,500
Cash payment	25,000
Issuances of shares	62,500
Balance, November 30, 2024	103,000
Exploration Costs:	
Balance, August 18, 2023	-
Assays/lab	19,405
Freight and administrative	4,471
Geological consulting	29,900
Site preparation	1,395
Meals and accommodation	15,125
Reporting – petrographic	7,535
Supplies	1,257
Transportation	9,377
Balance, November 30, 2023	88,465
Reports and administration	15,406
Transportation	712
Balance, November 30, 2024	104,583
Total Balance, November 30, 2023	$ 103,965
Total Balance, November 30, 2024	$ 207,583

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding as at November 30, 2024: 12,750,000 common shares.

During the year ended November 30, 2024, the Company:

i) issued 3,500,000 common shares pursuant to its Initial Public Offering at a price of $0.10 per share for gross proceeds of $350,000. The Company paid cash share issuance costs of $137,601 and granted 350,000 compensation options valued at $28,700 at an exercise price of $0.10 per share, expiring on November 13, 2027.

ii) issued 250,000 common shares valued at $62,500 pursuant to the acquisition of the Triple R Property.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (*continued*)

During the period ended November 30, 2023, the Company:

i) completed a non-flow-through private placement of 850,000 common shares at a price of $0.005 per share for gross proceeds of $4,250.

ii) completed a non-flow-through private placement of 1,200,000 common shares at a price of $0.005 per share for gross proceeds of $6,000.

iii) completed a flow-through private placement of 4,000,000 common shares at a price of $0.02 per share for gross proceeds of $80,000 and allocated $60,000 to flow-through premium liability.

iv) completed a non-flow-through private placement of 2,950,000 common shares at a price of $0.005 per share for gross proceeds of $147,500, of which $20,000 was received during the year ended November 30, 2024.

c) Stock Options

The Company has adopted a Stock Option Plan (‘Plan’) for directors, officers, employees and consultants of the Company. Options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option are granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

A summary of share options outstanding is as follows:

	Outstanding and exercisable		Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance at August 18, 2023 and November 30, 2023	-	$	-	-
Granted	500,000		0.10	2.19
Balance at November 30, 2024	**500,000**	**$**	**0.10**	**2.19**

During the year ended November 30, 2024:

i) On February 7, 2024, the Company granted 500,000 share options to officers and directors of the Company, which are exercisable for a period of three years, at a price of $0.10 per share. The fair value of $42,100 was estimated using the Black-Scholes Option Pricing Model. The options vested immediately.

During the period ended November 30, 2023, the Company did not grant any stock options.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (*continued*)

c) Stock Options (continued)

As at November 30, 2024, the Company had share purchase options outstanding as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual life (in years)
500,000	500,000	$0.10	07-Feb-27	2.19
500,000	**500,000**			

The following weighted average assumptions were used in the Black-Scholes Option Pricing Model for the valuation of the share options granted:

	November 30, 2024
Risk-free interest rate	4.26%
Exercise price	$0.10
Share price	$0.10
Expected life of options	3.00 years
Expected annualized volatility	159.31%
Expected dividend rate	0.00%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company’s share options and other share-based transactions.

The Company uses historical volatility of comparable companies to estimate the volatility of the share price.

d) Agent Options

A summary of agent options outstanding is as follows:

	Outstanding and exercisable	Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance at August 18, 2023 and November 30, 2023	-	$ -	-
Granted	350,000	0.10	2.95
Balance at November 30, 2024	**350,000**	**$ 0.10**	**2.95**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (*continued*)

d) Agent Options (continued)

During the year ended November 30, 2024:

i) On November 13, 2024, the Company granted 350,000 share options to the agents of the IPO of the Company, which are exercisable for a period of three years, at a price of $0.10 per share. The fair value of $28,700 was estimated using the Black-Scholes Option Pricing Model. The options vested immediately.

During the period ended November 30, 2023, the Company did not grant any agent options.

As at November 30, 2024, the Company had agent options outstanding as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date	Contractual life (in years)
350,000	350,000	$0.10	13-Nov-27	2.95
350,000	**350,000**			

The following weighted average assumptions were used in the Black-Scholes Option Pricing Model for the valuation of the share options granted:

	November 30, 2024
Risk-free interest rate	3.13%
Exercise price	$0.10
Share price	$0.10
Expected life of options	3.00 years
Expected annualized volatility	151.58%
Expected dividend rate	0.00%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company's share options and other share-based transactions.

The Company uses historical volatility of comparable companies to estimate the volatility of the share price.

(Expressed in Canadian Dollars)

6. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On September 19, 2023, the Company issued 4,000,000 flow-through shares at a purchase price of $0.02 per flow-through share for gross proceeds of $80,000. The flow-through shares were issued at a premium of $0.015 per share. As a result, a flow-through premium liability of $60,000 was recorded. During the period ended November 30, 2023, the Company met the spending requirement and recorded a flow-through premium recovery of $60,000.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

		Flow-through premium liability
Balance, August 18, 2023	$	-
Flow-through funds raised and premium recorded as liability		60,000
Flow-through funds raised and premium recovery		(60,000)
Balance, November 30, 2023 and 2024	$	-

7. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

During the year ended November 30, 2024, the Company had transactions with related parties and key management personnel as follows:

		November 30, 2024		**November 30, 2023**
Management fees – CEO	$	15,000	$	-
Consulting fees – CFO		5,000		-
Consulting fees – dependent of the CEO		12,500		-
Share-based compensation		42,100		-
	$	74,600	$	-

During the year ended November 30, 2024, the amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities is $5,250 (2023 - $Nil).

During the year ended November 30, 2024, the Company granted 500,000 stock options with a value of $42,100 to directors and officers of the Company for services provided.

During the period ended November 30, 2023, the Company did not pay or accrue any compensation to related parties.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity (deficit), as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value of financial instruments

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. The carrying value of cash, amounts receivable, and accounts payable and accrued liabilities approximates its fair value due to the relatively short period of maturity of the instrument.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Credit risk is the risk of financial loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's exposure to and approach to the management of credit risk has not changed from that of the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company's exposure to and approach to the management of liquidity risk has not changed from that of the prior year. As at November 30, 2024, the Company had a cash balance of $184,594 (2023 - $124,483) to settle current liabilities of $127,611 (2023 - $68,011).

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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 Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is not considered to be material as the deposits are short term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company's exposure to and approach to the management of interest rate risk has not changed from that of the prior year.

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's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company's exposure to and approach to the management of currency risk has not changed from that of the prior year.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other that interest and currency rates), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material price risk at November 30, 2024. The Company's exposure to and approach to the management of price risk has not changed from that of the prior year.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		November 30, 2024		November 30, 2023
Net income (loss) before income taxes for the year	$	(237,357)	$	18,474
Statutory Canadian corporate tax rate		27%		27%
Anticipated tax expense (recovery)		(64,000)		5,000
Permanent differences		11,000		(16,000)
Impact of flow through share		-		22,000
Share issuance costs		(37,000)		-
Change in unrecognized deductible temporary		79,000		-
Total income tax expense (recovery)	$	(11,000)	$	11,000

The following is the analysis of recognized deferred tax liabilities and deferred tax assets:

		2024		2023
Deferred tax assets (liabilities)				
Non-capital losses	$	71,000	$	11,000
Share issuance costs		30,000		-
Exploration and evaluation assets		(22,000)		(22,000)
		79,000		(11,000)
Valuation allowance		(79,000)		-
Net deferred tax assets (liabilities)	$	-	$	(11,000)

The Company has the following unrecognized deductible temporary differences and unused tax losses:

	Expiry Date		November 30, 2024	Expiry Date		November 30, 2023
Non-capital losses carried forward	2043-2044	$	264,000	2043-2043	$	42,000
Mineral properties	None		(83,000)	None		(80,000)
Share issuance costs	2045 to 2048		110,000	None		-

Tax attributes are subject to review, and potential adjustment by tax authorities.