Four Nines Gold Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended October 31, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended October 31, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Four Nines Gold Inc.
Condensed Interim Consolidated Statements of Financial Position
As at October 31, 2024 and January 31, 2024
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		October 31, 2024		January 31, 2024
ASSETS				
Current assets				
Cash	$	70	$	22,370
GST receivable		7,268		1,582
Prepaid expense		86,148		11,835
		93,486		35,787
Exploration and evaluation assets (Notes 5 and 9)		974,969		804,469
Total assets	$	1,068,455	$	840,256
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	305,157	$	218,573
Due to related party (Note 9)		12,096		-
Loan payable (Note 10)		95,061		-
		412,314		218,573
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		2,800,931		2,729,931
Equity component of convertible debentures		31,250		31,250
Reserves (Note 6)		564,981		419,694
Accumulated other comprehensive (loss) gain		25,894		(2,389)
Deficit		(2,766,915)		(2,556,803)
Total shareholders' equity		656,141		621,683
Total liabilities and shareholders' equity	$	1,068,455	$	840,256

Nature of operations and going concern – Note 1
Subsequent events – Notes 5 and 12

APPROVED ON BEHALF OF THE BOARD:

"Charles Ross"	Director	***"Geoff Balderson"***	Director

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

Four Nines Gold Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended October 31,		For the nine months ended October 31,	
	2024	**2023**	**2024**	**2023**
Expenses				
Bank and interest charges (recovery)	$ (359)	$ 2,075	$ 233	$ 2,328
Consulting fees (Note 9)	6,000	6,018	18,000	23,564
Filing fees and transfer agent	5,031	7,862	23,431	25,497
Foreign exchange loss	222	547	106	547
Investor relations	24,188	16,076	38,486	82,918
Office and general	4,903	4,962	14,478	10,757
Professional fees	-	1,480	-	5,104
Property investigation	-	875	-	875
Rent (Note 9)	-	13,500	(31,500)	40,500
Share-based payments (Notes 6 and 9)	43,413	-	145,287	-
Travel and entertainment	571	1,130	1,591	4,416
Impairment of exploration and evaluation asset (Note 5)	-	-	-	248,054
Net loss for the period	(83,969)	(54,525)	(210,112)	(444,560)
Other comprehensive income				
Gain on translation of foreign operations	6,751	29,819	28,284	21,344
Total comprehensive loss for the period	$ (77,218)	$ (24,706)	$ (181,828)	$ (423,316)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	18,585,903	15,605,348	18,413,912	15,139,643

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

Four Nines Gold Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of common shares	Share capital	Equity component on convertible debentures	Reserves	Accumulated other comprehensive (loss) gain	Deficit	Total
Balance, January 31, 2023	15,537,763	$ 2,429,311	$ 31,250	$ 402,764	$ (626)	$ (2,046,254)	$ 816,445
Cash transactions:							
Exercise of warrants	405,000	202,500	-	-	-	-	202,500
Cumulative translation adjustment	-	-	-	-	21,344	-	21,344
Loss for the period	-	-	-	-	-	(444,560)	(444,560)
Balance, October 31, 2023	15,942,763	$ 2,631,811	$ 31,250	$ 402,764	$ 20,718	$ (2,490,814)	$ 595,729
Balance, January 31, 2024	18,108,620	$ 2,729,931	$ 31,250	$ 419,694	$ (2,389)	$ (2,556,803)	$ 621,683
Cash transactions:							
Exercise of warrants	710,000	71,000	-	-	-	-	71,000
Share-based payments	-	-	-	145,287	-	-	145,287
Cumulative translation adjustment	-	-	-	-	28,284	-	28,284
Loss for the period	-	-	-	-	-	(210,112)	(210,112)
Balance, October 31, 2024	18,818,620	$ 2,800,931	$ 31,250	$ 564,981	$ 25,895	$ (2,766,915)	$ 656,142

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

Four Nines Gold Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended October 31, 2024	2023
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	$ (210,112)	$ (444,560)
Items not affecting cash		
Foreign exchange loss	28,283	21,344
Interest charges	-	1,117
Share-based payments	145,287	-
Impairment of exploration and evaluation asset	-	248,054
Change in non-cash working capital item:		
GST receivable	(5,686)	(4,468)
Prepaid expense	(74,313)	(547)
Accounts payable and accrued liabilities	17,717	115,281
Net cash used in operating activities	(98,824)	(63,779)
INVESTING ACITIVITIES		
Exploration advance	-	12,113
Exploration and evaluation assets	(101,633)	(397,010)
Net cash used in investing activities	(101,633)	(384,897)
FINANCING ACTIVITIES		
Due to related party	12,096	22,305
Loan payable	95,061	-
Shares issued for cash	71,000	202,500
Net cash provided by financing activities	178,157	224,805
Change in cash for the period	(22,300)	(223,871)
Cash, beginning of period	22,370	245,545
Cash, end of period	70	21,674

Supplemental Disclosure

	2024	2023
Cash paid for interest during the period	-	-
Cash paid for income taxes during the period	-	-

Non-cash Transaction

	2024	2023
Accounts payable included in exploration and evaluation assets	68,867	63,639

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

1. Nature operations and going concern

The Company was incorporated on March 19, 2015 in British Columbia. On August 24, 2017, the Company completed an initial public offering ("IPO") and was listed on the Canadian Securities Exchange ("CSE"). The Company commenced trading on the CSE on August 31, 2017 under the symbol "FNAU".

The head office, principal address and records office of the Company are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At October 31, 2024, the Company has a working capital deficiency of $318,828 (January 31, 2024 - $182,786) however, it has not yet achieved profitable operations and has an accumulated deficit of $2,766,915 (January 31, 2024 - $2,556,803) and for the period ended October 31, 2024 incurred a net loss of $210,112 and expects to incur further losses in the development of its business.

These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. Basis of preparation

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on December 20, 2024.

2. Basis of preparation – (cont'd)

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian Dollars, which is the functional currency of the parent Company and its subsidiary Hayden Hill Mining Inc. ("Hayden Hill"). The functional currency of Lassen Resources Inc. ("LRI") is the US Dollar ("USD"). All amounts are rounded to the nearest dollar.

3. Material Accounting Policy Information

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at January 31, 2024. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2024.

New Accounting Standards Interpretations Issue But Not Yet Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

4. Critical Accounting Estimates and Judgments – (cont'd)

Judgments

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 1.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates

Share-based payments

The determination of the fair value related to share-based payments are subject to estimate. The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets

		Lassen Property
Acquisition costs:		
Balance, January 31, 2024	$	217,940
Foreign exchange translation		8,443
Balance, October 31, 2024		226,383
Exploration costs:		
Balance, January 31, 2024		586,529
Field expenses		22,620
Geologist (Note 9)		93,664
Insurance		14,407
Renewal fee		6,958
Travel		1,684
Foreign exchange translation		22,724
Balance, October 31, 2024		748,586
Total, October 31, 2024	$	974,969

		Lassen Property		Bonneville Property		Total
Acquisition costs:						
Balance, January 31, 2023	$	137,076	$	232,500	$	369,576
Cash		81,865		7,500		89,365
Foreign exchange translation		(1,001)		-		(1,001)
Balance, January 31, 2024		217,940		240,000		457,940
Exploration costs:						
Balance, January 31, 2023		206,659		8,054		214,713
Field expenses		31,671		-		31,671
Geologist (Note 9)		213,132		-		213,132
Geophysical		7,896		-		7,896
Maps		32,211		-		32,211
Insurance		30,169		-		30,169
Renewal fees		5,567		-		5,567
Report preparation		25,982		-		25,982
Travel		35,337		-		35,337
Foreign exchange translation		(2,095)				(2,095)
Balance, January 31, 2024		586,529		8,054		594,583
Impairment		-		(248,054)		(248,054)
Total, January 31, 2024	$	804,469	$	-	$	804,469

5. Exploration and Evaluation Assets – (cont'd)

Bonneville Property, Quebec

On June 18, 2020 and as amended on July 27, 2020, the Company entered into an option agreement with Tellford Management Ltd. whereby, the Company may acquire up to 100% interest in the Bonneville Property. This property consists of 36 mineral tenures and is located in central Quebec in the Lac Bachelor gold camp. As consideration for the interest, the Company will pay cash of $210,000, and incur $350,000 in exploration expenditures as follows:

a) Cash payment of $35,000 upon signing (June 18, 2020) (Paid);
b) Cash payment of $75,000 upon regulatory authorities' approval (June 22, 2020) (Paid);
c) Cash payment of $75,000 by July 31, 2020 (Paid);
d) Cash payment of $25,000 by June 18, 2021 (Paid); and
e) Incur $350,000 in exploration expenditures on or before June 18, 2022 (amended below).

In the event of a shortfall of exploration expenditures, the Company can pay the Optionor in cash or shares of the Company as long as the share issuance does not make the Optionor a holder of more than 19.9% of the shares outstanding at the time of issuance.

Should the Company acquire 100% of the property the Optionor will retain a 1% Net Smelter Returns ("NSR") royalty. The Company shall be entitled to buy back the 1% NSR for $1,000,000.

On November 8, 2022, the Company extended the exploration expenditure commitment until December 31, 2022, and in consideration for the extension, the Company paid $15,000. On December 29, 2022, the Company extended the period further to March 31, 2023, and paid $7,500 for the extension. On March 31, 2023, the Company and the Optionor amended the agreement and extended the exploration expenditure commitment whereby $50,000 in exploration expenditures would be due on or before December 31, 2023, and the remainder will be due on or before December 31, 2024 and the Company agrees to pay the Optionor $2,500 per month for the duration of the option.

During the year ended January 31, 2024, the Company terminated the option agreement on the Bonneville property and as a result, the Company recorded an impairment charge of $248,054 to write-off the exploration asset.

Lassen Properties, California

During the year ended January 31, 2023, the Company staked 25 claims located in Hayden Hill Mining District in California totaling $71,901.

On August 19, 2022, and as amended on December 13, 2024, the Company entered into an option agreement to acquire the right to explore the Lassen properties and all of the issued and outstanding shares of a Lassen Gold Mining, Inc. ("Lassen Gold") from its parent company Kinam Gold Inc. ("Kinam"). Lassen Gold holds an interest in 62 mineral claims located in Lassen County, California. The agreement shall be effective from August 19, 2022 (the "Effective Date") through to November 1, 2027 (the "Option Period").

5. Exploration and Evaluation Assets – (cont'd)

Lassen Properties, California – (cont'd)

In order to earn the right to explore the property, the Company shall incur the following:

- Pay US$50,000 in cash on execution date (Paid);
- Pay US$60,000 (Paid) and incur US$250,000 in qualifying expenditures on or before March 1, 2023 (incurred);
- Pay US$100,000 (subsequently paid) and incur additional US$340,000 in qualifying expenditures on or before November 1, 2024 (incurred);
- Pay US$50,000 in cash and incurred additional US$330,000 in qualifying expenditures on or before November 1, 2025;
- Pay US$100,000 in cash and incurred additional US$330,000 in qualifying expenditures on or before November 1, 2026; and
- Incur additional US$250,000 in qualifying expenditures on or before November 1, 2027.

The US$250,000 due on or before March 1, 2023, is a firm commitment and shall not be affected by any termination of the agreement. If the agreement is terminated prior to the Company completing the US$250,000 expenditure requirement, the Company will need to pay Lassen Gold the amount of shortfall within 30 days following termination.

During the Option Period, the Company shall have the opportunity, but not the obligation, to purchase all of the issued and outstanding shares of Lassen Gold. As consideration for the acquisition, the Company will pay an amount equal to US$2,000,000 minus all the options payments paid as of the date of exercise of the option and minus any decommissioning liabilities, and the assumption of any bonds, guarantees, or other financial assurances provided or guaranteed by Kinam or its affiliates in respect of the Property. The Company can exercise the option with a written notice at any time within the Option Period.

Kinam will retain a 2.0% Net Smelter Returns Royalty ("NSR") on all minerals produced and sold from the property. The Company has an option to purchase back 0.5% of the NSR for a payment of US$1,900,000 within seven years of the Effective Date.

6. Share Capital

a) Authorized

Unlimited Class A common shares, without par value.
Unlimited Class B common shares, without par value.

b) Issued

During the nine months ended October 31, 2024:

During the nine months ended October 31, 2024, the Company issued 710,000 common shares pursuant to the exercise of share purchase warrants with an exercise price of $0.10 for total proceeds of $71,000.

(Expressed in Canadian Dollars)

6. Share Capital – (cont'd)

b) Issued – (cont'd)

During the year ended January 31, 2024:

During the year ended January 31, 2024, the Company issued 2,329,000 common shares pursuant to the exercise of share purchase warrants with an exercise price of $0.10 for total proceeds of $232,900.

On December 15, 2023, the Company issued 241,857 units at $0.35 per unit for gross proceeds of $84,650. Each unit consisted of one common share and one-half share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share in the capital of the Company at a price of $0.70 per share expiring on December 15, 2024 subject to an accelerated expiry should the common shares of the Company close at or above $1 on the CSE for 10 consecutive trading days. A residual value of $16,930 was assigned to the warrants.

c) Share purchase warrants

Details of share purchase warrant activities for the nine months ended October 31, 2024, and the year ended January 31, 2024 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2023	10,135,933	$0.17
Issued	120,929	$0.70
Exercised	(2,329,000)	$0.10
Expired	(2,996,000)	$0.10
Balance, January 31, 2024	4,931,862	$0.26
Exercised	(710,000)	$0.10
Expired	(1,230,933)	$0.70
Balance, October 31, 2024	2,990,929	$0.12

The weighted average remaining life of the share purchase warrants is 0.47 years.

As at October 31, 2024, the Company had 2,990,929 share purchase warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date
120,929	$0.70	December 15, 2024
1,950,000	$0.10	March 2, 2025
920,000	$0.10	August 21, 2025
2,990,929		

(Expressed in Canadian Dollars)

6. Share Capital – (cont'd)

d) Stock options

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding shares. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

On March 19, 2024, the Company granted 1,160,000 stock options exercisable to consultants and directors of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.35 per share expiring on March 19, 2029 and vested at 12.5% every three months with the first vesting on June 19, 2024 and every three months thereafter with the last vesting on March 19, 2026. The fair value of the stock options amounted to $232,000 was determined using the Black Scholes Option Pricing Model with the following assumptions – Share price on grant date of $0.30; Risk-free interest rate of 3.5%; Dividend yield of Nil; Expected volatility of 87%; Expected life of 5 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. As at October 31, 2024, the Company recorded share-based payments totaling $145,287.

Details of the stock option activities for the nine months ended October 31, 2024 and for the year ended January 31, 2024 are as follows:

	Number of Options	**Weighted Average Exercise Price**
Balance, January 31, 2023	1,470,000	$0.41
Expired	(100,000)	$0.25
Forfeited	(50,000)	$0.25
Balance, January 31, 2024	1,320,000	$0.40
Granted	1,160,000	$0.35
Forfeited	(670,000)	$0.54
Balance, October 31, 2024	1,810,000	$0.31

The weighted average remaining life of the stock options is 3.13 years.

(Expressed in Canadian Dollars)

6. **Share Capital** – (cont'd)

d) Stock options – (cont'd)

As at October 31, 2024, the Company had 1,810,000 stock options outstanding as follows:

Number of Options	Vested	Exercise Price	Expiry Date
650,000	650,000	$0.25	September 21, 2025
1,160,000	290,000	$0.35	March 19, 2029
1,810,000	940,000		

7. Financial Instruments and Risk Management

a) Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Cash is measured using level 1 fair value inputs. As at October 31, 2024, the Company believes the carrying values of accounts payable and accrued liabilities, due to related party and loan payable approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

7. Financial Instruments and Risk Management – (cont'd)

b) Risk Management

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements 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. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. This risk is managed through the use of major banks that are considered high credit quality financial institutions, as determined by rating agencies.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such as a loss is limited because the loan bear interest at a fixed rate.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risks are assessed as high (Note 1).

The properties in which the Company currently has an interest are in the exploration stage, so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed

7. Financial Instruments and Risk Management – (cont'd)

b) Risk Management – (cont'd)

Foreign currency risk

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as it incurs significant mineral property-related expenditure in the USA are denominated in US dollars. The Company is also exposed to foreign exchange risk arising from:

- Cash balances held in US dollars;
- Accounts payable denominated in US dollars;

These are all shown on the statement of loss and comprehensive loss. The Company does not engage in any hedging activities to reduce its foreign currency risk. A 10% variance in the foreign exchange rates would expose the Company to a positive or negative impact on its comprehensive loss of approximately $18,000 during the nine months ended October 31, 2024 (January 31, 2024 - $7,900).

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

8. Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

9. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

(Expressed in Canadian Dollars)

9. Related Party Transactions – (cont'd)

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management.

	Relationship	For the nine months ended October 31, 2024	2023
Consulting fees			
Harmony Corporate Services Ltd.	Company controlled by Geoff Balderson, Director and CFO	$ 18,000	$ 18,000
Interest charges			
Modaven Capital Corporation	Common director	-	1,117
Exploration and evaluation assets			
David Flint	Director	24,527	86,883
Winthrop Rowe	Director	-	19,523
		24,527	106,406
Rent (reversal)			
Norsemont Mining Inc.	Common director	(31,500)	40,500
Share-based payments			
Jim Mustard	Director	5,636	-
David Flint	Director	21,918	-
Dennis McHarness	Director	15,029	-
Winthrop Rowe	Director	15,029	-
		57,612	-
		$ 68,639	$ 166,023

Included in accounts payable and accrued liabilities at October 31, 2024, is $192,259 (January 31, 2024 - $139,316) owed to directors, a Company controlled by the CFO, and a Company with a director in common, for reimbursements of expenses or unpaid fees. The amounts are unsecured, non-interest bearing with no specific terms of repayment.

Due to related party

During the period ended October 31, 2024, the Company received short term financing of $28,096 from a company with a director in common for working capital. The short-term financing is unsecured, non-interest bearing and payable on demand. On October 23, 2024, the director applied $16,000 of the proceeds to the exercise of 160,000 share purchase warrants at a price of $0.10 per share. The balance is included in due to related parties at October 31, 2024.

(Expressed in Canadian Dollars)

9. Related Party Transactions – (cont'd)

During the year ended January 31, 2024, the Company issued a promissory note payable of $54,400 to a company with a director in common. The promissory note is unsecured, bears interest at 12% per annum and is payable on demand. During the year ended January 31, 2024, the director applied $50,000 of the promissory note to the exercise of 500,000 share purchase warrants at a price of $0.10 per share. $4,400 of the promissory note and $1,100 of the interest charges were applied to the purchase of Company shares as part of a private placement.

On December 15, 2023, certain management and board members participated in a non-brokered private placement financing of units to obtain 134,000 units at a price of $0.35 per unit, for gross proceeds of $46,900 (Note 6). Each unit consists of one common share and one-half share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share in the capital of the Company at a price of $0.70 per share for a period of one year from closing, subject to acceleration.

10. Loan Payable

On October 25, 2024, the Company issued a promissory note payable of $95,025 to a third party. The promissory note is unsecured, bears interest at 2% per month for the first three months and 3% per month thereafter and is due on or before January 25, 2025.

11. Segmented Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief executive officer and the executive management in assessing performance and in determining the allocation of resources. The Company considers the business from a geographic perspective and assesses the performance of the operating segments based on measures such as net property and equipment as well as operational results.

Operating Segment

The Company's operations are limited to a single industry segment, being the acquisition, exploration and evaluation of mineral properties.

Geographic Segments

As at October 31 2024, the Company's operations and assets are located in Canada and the USA. By geographic areas, the Company's net loss for the nine months ended October 31, 2024 and 2023 are as follows:

	October 31, 2024	**October 31, 2023**
Canada	**$** 210,112	$ 390,035
USA	-	-
	$ 210,112	$ 390,035

(Expressed in Canadian Dollars)

11. Segmented Information – (cont'd)

By geographic areas, the Company's non-current assets as October 31, 2024 and as at January 31, 2024 are as follows:

		October 31, 2024		January 31, 2024
Canada	$	-	$	-
USA		974,969		804,469
	$	974,969	$	804,469

12. Subsequent Event

On November 5, 2024, the Company issued a promissory note payable of $140,303 to a third party. The promissory note is unsecured, bears interest at 2% for the first three months and 3% per month thereafter and is due on or before February 5, 2025.