

BLAST RESOURCES INC.

Financial Statements

Years Ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blast Resources Inc.

Opinion

We have audited the financial statements of Blast Resources Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2024 and 2023, and the statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no revenues and had negative cash flow from operating activities during the year ended January 31, 2024 and, as of that date, had a working capital deficit of \$153,513 and an accumulated deficit of \$486,804. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 for the year ended January 31, 2024. 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. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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. If, based on the work we have performed, 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 International Financial Reporting 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.

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 period and 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 Lonny Wong.

A handwritten signature in black ink that reads "Saturna Group LLP". The script is fluid and cursive, with the letters "S" and "G" being particularly large and stylized.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 31, 2024

BLAST RESOURCES INC.Statements of Financial Position
(Expressed in Canadian Dollars)

	January 31, 2024 \$	January 31, 2023 \$
ASSETS		
Current assets		
Cash	16,719	122,693
GST receivable	545	941
Total current assets	17,264	123,634
Non-current assets		
Exploration and evaluation assets (Note 4)	160,815	–
Total assets	178,079	123,634
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	170,777	68,745
Total liabilities	170,777	68,745
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	494,106	146,150
Deficit	(486,804)	(91,261)
Total shareholders' equity	7,302	54,889
Total liabilities and shareholders' equity	178,079	123,634

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on May 31, 2024:

/s/ "Derek Tam"
Derek Tam, Director

/s/ "Casey Forward"
Casey Forward, Director

(The accompanying notes are an integral part of these financial statements)

BLAST RESOURCES INC.Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended January 31, 2024 \$	Year ended January 31, 2023 \$
Expenses		
Consulting fees (Note 5)	115,000	27,000
Exploration costs (Note 4)	102,251	—
Office and general	12,218	4,316
Professional fees (Note 5)	142,949	18,754
Project investigation costs	—	40,635
Transfer agent and filing fees	23,125	—
Total expenses	395,543	90,705
Net loss and comprehensive loss for the year	(395,543)	(90,705)
Loss per common share, basic and diluted	(0.03)	(0.03)
Weighted average common shares outstanding	11,693,590	2,985,617

(The accompanying notes are an integral part of these financial statements)

BLAST RESOURCES INC.Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian Dollars)

	Share capital		Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$		
Balance, January 31, 2022	1	1	(556)	(555)
Shares issued for cash	11,075,000	174,250	–	174,250
Shares repurchased	(1,150,001)	(5,750)	–	(5,750)
Shares issuance costs	–	(22,351)	–	(22,351)
Net loss for the year	–	–	(90,705)	(90,705)
Balance, January 31, 2023	9,925,000	146,150	(91,261)	54,889
Shares issued for cash	3,511,864	351,187	–	351,187
Shares issued for exploration and evaluation asset	100,000	27,000	–	27,000
Shares issuance costs	–	(30,231)	–	(30,231)
Net loss for the year	–	–	(395,543)	(395,543)
Balance, January 31, 2024	13,536,864	494,106	(486,804)	7,302

(The accompanying notes are an integral part of these financial statements)

BLAST RESOURCES INC.Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended January 31, 2024 \$	Year ended January 31, 2023 \$
Operating activities		
Net loss for the year	(395,543)	(90,705)
Changes in non-cash operating working capital:		
GST receivable	396	(941)
Accounts payable and accrued liabilities	102,032	68,190
Net cash used in operating activities	(293,115)	(23,456)
Investing Activities		
Acquisition of exploration and evaluation assets	(133,815)	–
Net cash used in investing activities	(133,815)	–
Financing activities		
Proceeds from issuance of shares	351,187	174,250
Repurchase of shares	–	(5,750)
Share issuance costs	(30,231)	(22,351)
Net cash provided by financing activities	320,956	146,149
Change in cash	(105,974)	122,693
Cash, beginning of year	122,693	–
Cash, end of year	16,719	122,693
Non-cash investing and financing activities:		
Fair value of shares issued for exploration and evaluation asset	27,000	–

(The accompanying notes are an integral part of these financial statements)

BLAST RESOURCES INC.

Notes to the Financial Statements

Year Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business

Blast Resources Inc. (the “Company”) was incorporated under the laws of British Columbia, Canada, on June 22, 2021. The Company’s head office address is located at Suite 380, 580 Hornby Street, Vancouver, British Columbia, V6C 2T8.

The Company is an exploration stage company and is engaged principally in the acquisition and exploration of mineral properties. The recovery of the Company’s investment in its exploration and evaluation assets is dependent upon the future discovery, development, and sale of minerals, ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol BLST. Trading of the common shares commenced on September 18, 2023 (“Listing Date”).

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the year ended January 31, 2024, the Company has no revenues and had negative cash flow from operations. As at January 31, 2024, the Company had a working capital deficit of \$153,513 and an accumulated deficit of \$486,804. Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional equity to fund ongoing costs of operations, obtain a joint venture partner, or have sale agreements for one or more properties. There is no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on a historical cost basis except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS 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 year. 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 years. 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.

BLAST RESOURCES INC.

Notes to the Financial Statements
Year Ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

(b) Use of Estimates and Judgments (continued)

Significant Estimates

Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

Significant Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

Impairment of Mineral Properties

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Material Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Foreign Currency Translation

The presentation currency and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the statement of financial position date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in the statement of operations for the period.

BLAST RESOURCES INC.

Notes to the Financial Statements

Year Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

(c) Exploration and Evaluation Assets

(i) Exploration and evaluation asset acquisition costs

The Company records its interests in exploration and evaluation assets and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for exploration and evaluation assets represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of exploration and evaluation assets when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property exceeds the fair value of the property.

(ii) Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carry amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. 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 asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that 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. A reversal of an impairment loss is recognized immediately in the statement of operations.

BLAST RESOURCES INC.

Notes to the Financial Statements

Year Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

(d) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(e) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(f) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

BLAST RESOURCES INC.

Notes to the Financial Statements
Year Ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

(f) Financial Instruments (continued)

Financial Assets (continued)

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

BLAST RESOURCES INC.

Notes to the Financial Statements

Year Ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

(f) Financial Instruments (continued)

Financial Liabilities and Equity Instruments (continued)

Equity instruments

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 Company are recognized as the proceeds received, net of direct issue costs. The Company uses the residual method in determining the fair value of share purchase warrants issued to subscribers, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

BLAST RESOURCES INC.

Notes to the Financial Statements
Year Ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

(h) Share-based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(i) Loss Per Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method. As at January 31, 2024, the Company had 3,962,500 (2023 – 7,925,000) potentially dilutive shares outstanding.

(j) New Accounting Standards and Interpretations

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended January 31, 2024, and have not been early adopted in preparing these 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. Exploration and Evaluation Assets

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Acquisition costs:

	\$
Balance, January 31, 2022 and 2023	–
Additions	160,815
Balance, January 31, 2024	160,815

BLAST RESOURCES INC.

Notes to the Financial Statements
Year Ended January 31, 2024 and 2023
(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

Mineral exploration costs:

Year ended January 31, 2024:

	\$
Assays	15,750
Geological	83,898
Supplies	2,603
	<hr/> 102,251 <hr/>

On December 31, 2022, the Company entered into an option agreement with Western Cobalt LLC (“Western”) whereby the Company has the right to acquire a 100% interest in the mineral claims known as the Vernon Hills Project (the “Property”), located in Tooele Country, Utah, USA.

To earn this interest, the Company is to make a payment of US\$50,000, issue a total of 1,000,000 common shares, and incur exploration expenditures of \$100,000 on the Property as follows:

Cash consideration to be paid:

- US\$50,000 to be paid within 15 business days of the Company becoming listed on the CSE on September 18, 2023 (the “Listing Date”) (paid)

Common shares to be issued:

- 100,000 shares within 15 business days of the Listing Date (issued)
- a further 400,000 shares on or before September 18, 2024; and
- a further 500,000 shares on or before September 18, 2025.

Exploration expenditures to be incurred:

- \$100,000 on or before September 18, 2024. The Company is also responsible for maintaining the claims comprising the Property in good standing.

During the year ended January 31, 2024, the Company paid \$63,825 to stake new mineral claims located in the area surrounding the Property.

5. Related Party Transactions

- (a) As at January 31, 2024, the amount of \$12,255 (2023 - \$122) is owed to the Chief Financial Officer of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred professional fees of \$12,000 (2023 - \$nil) to this officer.
- (b) As at January 31, 2024, the amount of \$35,000 (2023 - \$nil) is owed to a director of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred consulting fees of \$35,000 (2023 - \$nil) and professional fees of \$8,000 (2023 - \$nil) to this director.
- (c) As at January 31, 2024, the amount of \$nil (2023 - \$22,715) is owed to a former director of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred consulting fees of \$nil (2023 - \$27,000) to this former director.

BLAST RESOURCES INC.

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6. Share Capital

Authorized: Unlimited common shares without par value

Share transactions during the year ended January 31, 2024:

- (a) On August 4, 2023, the Company issued 3,511,866 common shares at \$0.10 each pursuant to the conversion of the Special Warrants. The Company received total proceeds of \$351,187, for special warrants issued at \$0.10 per warrant. Each special warrant was exercisable into one common share of the Company for no additional consideration. In connection with this private placement, the Company incurred share issuance costs of \$30,231.
- (b) On September 19, 2023 the Company issued 100,000 common shares with a fair value of \$27,000 to Western pursuant to the acquisition of the Vernon Hills Property. See Note 4.

Share transactions during the year ended January 31, 2023:

- (c) On February 18, 2022, the Company issued 2,000,000 common shares at \$0.005 per share for proceeds of \$10,000.
- (d) On September 14, 2022, the Company repurchased 1,150,001 common shares for proceeds of \$5,750.
- (e) On October 12, 2022, the Company issued 1,150,000 units at \$0.005 per share for proceeds of \$5,750.
- (f) On December 8, 2022, the Company issued 7,925,000 units at \$0.02 per unit for proceeds of \$158,500. Each unit consisted of one common share and one transferable share purchase warrant exercisable at \$0.10 per common share expiring on the earlier of: December 8, 2026 and the third anniversary of the Listing Date. The Company incurred share issuance costs of \$22,351 in connection with this private placement.

7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, January 31, 2022	–	–
Issued	7,925,000	0.10
Balance, January 31, 2023	7,925,000	0.10
Cancelled	(3,962,500)	0.10
Balance, January 31, 2024	3,962,500	0.10

As at January 31, 2024, the Company had 3,962,500 share purchase warrants exercisable at \$0.10 per common share expiring on September 18, 2026.

8. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry, with all current exploration activities conducted in the United States.

BLAST RESOURCES INC.

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9. Financial Instruments and Risk Management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The following amounts are the contractual maturities of financial liabilities as at January 31, 2024 and 2023:

2024	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	170,777	170,777	–
2023	Total \$	Within 1 year \$	Within 2-5 years \$
Accounts payable and accrued liabilities	68,745	68,745	–

BLAST RESOURCES INC.

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9. Financial Instruments and Risk Management (continued)

Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange rate risk.

Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

10. Capital Management

The Company considers items included in shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended January 31, 2023.

11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2024	2023
	\$	\$
Net loss for the year	(395,543)	(90,705)
Statutory income tax rate	27%	11%
Income tax recovery at statutory rate	(106,797)	(9,978)
Permanent differences and other	(8,138)	(2,452)
Change in tax rate	(18,168)	—
Change in unrecognized deferred income tax assets	133,103	12,430
Income tax provision		—

BLAST RESOURCES INC.

Notes to the Financial Statements
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11. Income Taxes (continued)

The significant components of deferred income tax assets and liabilities are as follows:

	2024 \$	2023 \$
Deferred income tax assets		
Non-capital losses carried forward	107,835	10,524
Resource pools	27,608	–
Share issuance costs	10,151	1,967
Total gross deferred income tax assets	145,594	12,491
Unrecognized deferred income tax assets	(145,594)	(12,491)
Net deferred income tax assets	–	–

As at January 31, 2024, the Company has non-capital losses carried forward of \$399,388 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2042	556
2043	95,115
2044	303,717
	399,388

As at January 31, 2024, the Company has mineral resources related expenditure pools totalling \$263,066 which may be deducted against future taxable income on a discretionary basis

12. Subsequent Event

On March 7, 2024, the Company entered into a mineral option agreement to acquire 100% of the right, title, and interest in and to mineral titles located in Saskatchewan, Canada known as the Wales Lake Property.

To earn this interest, the Company is to make payments totalling of \$60,000, issue a total of 1,175,000 common shares, and incur exploration expenditures of \$78,679 on the Property as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 10 business days of acceptance by the CSE ("Acceptance Date");
- an additional \$20,000 to be paid on or before one year from the Acceptance Date; and
- an additional \$25,000 to be paid on or before two years from the Acceptance Date.

Common shares to be issued:

- 375,000 common shares within 10 business days of the Acceptance Date;
- a further 375,000 common shares on or before one year from the Acceptance Date; and
- a further 375,000 common shares on or before two years from the Acceptance Date.

Exploration expenditures to be incurred:

\$78,679 on or before September 7, 2024.

The optionor retain a 2.5% Net Smelter Royalty ("NSR") on the property. The Company has the right to reduce the NSR to 1.5% for \$500,000 or to 2% for \$250,000 at any time.