BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED DECEMBER 31, 2024

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED – PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(PREPARED BY MANAGEMENT)

	Note	December 31, 2024 (unaudited)	March 31, 2024
ASSETS			
Current assets			
Cash		$ 2,066	$ 6,833
Accounts receivable		2,462	5,024
Prepaid expenses and deposits	4	49,371	64,550
		53,899	76,407
Non-current assets			
Exploration and evaluation assets	6, 7	11,384,967	11,210,770
Property and equipment	6	114	1,641
		11,385,081	11,212,411
Total assets		$ 11,438,980	$ 11,288,818
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ 1,425,550	$ 1,219,150
Amounts due to related parties	10	1,139,941	595,175
Loans payable	9	452,281	267,438
Total liabilities		3,017,772	2,081,763
Equity			
Share capital	11	50,283,913	50,283,913
Share-based payments reserve	12	2,346,071	2,629,166
Deficit		(44,208,776)	(43,706,024)
Total equity		8,421,208	9,207,055
Total liabilities and equity		$ 11,438,980	$ 11,288,818

Commitments (Note 9)
Contingencies (Note 18)
Subsequent Events (Note 19)

The condensed consolidated interim financial statements were authorized for issue by the board of directors on February 19, 2025 and were signed on its behalf by:

Nelson Baker Director   *Trevor Thomas* Director

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

	Note	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Nine Months Ended December 31, 2024	Nine Months Ended December 31, 2023
Expenses					
Consulting fees		$ -	$ -	$ -	$ 16,342
Depreciation	6	-	10,722	-	32,367
Interest and accretion	9	11,447	4,012	27,077	7,590
Management fees	10	172,500	180,000	517,500	288,500
Media and news dissemination		40,358	9,373	83,049	12,978
Office and miscellaneous	10	20,469	9,399	57,134	44,855
Professional fees	10	15,654	34,268	45,663	69,389
Rent	8, 10	12,000	12,514	25,698	37,542
Share-based payments	10, 12	-	2,048	-	110,584
Transfer agent and filing fees		219	18,665	7,609	36,669
Loss before items below		(272,647)	(281,001)	(763,730)	(656,816)
Interest income		-	523	-	827
Foreign exchange		(64,684)	22,158	(62,117)	20,127
Gain on sale of exploration and evaluation assets	7	-	-	40,000	50,000
Other income		-	-	-	14,999
Loss and Comprehensive loss for the period		$ (337,331)	$ (258,320)	$ (785,847)	$ (570,863)
Basic and diluted loss per common share		$ (0.03)	$ (0.02)	$ (0.07)	$ (0.05)
Weighted average number of common shares outstanding – basic and diluted		11,307,265	11,307,265	11,307,265	11,251,405

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)

	Note	Number of Shares	Share Capital	Share Subscriptions	Share-based Payments Reserve	Deficit	Total Equity
Balance, March 31, 2024		11,307,265	$ 50,283,913	$ -	$ 2,629,166	$ (43,706,024)	$ 9,207,055
Adjustment on expiration of stock options	12	-	-	-	(209,945)	209,945	-
Adjustment on expiration of warrants	12	-	-	-	(73,150)	73,150	-
Loss and comprehensive loss for the period		-	-	-	-	(785,847)	(785,847)
Balance, December 31, 2024		11,307,265	$ 50,283,913	$ -	$ 2,346,071	$ (44,208,776)	$ 8,421,208

	Note	Number of Shares	Share Capital	Share Subscriptions	Share-based Payments Reserve	Deficit	Total Equity
Balance, March 31, 2023		10,941,514	$ 49,998,582	$ 213,001	$ 2,507,421	$ (43,028,201)	$ 9,690,803
Private placements	11	365,751	365,751	(213,001)	-	-	152,750
Share issuance costs	11	-	(6,270)	-	-	-	(6,270)
Share-based payments	12	-	-	-	110,584	-	110,584
Adjustment on expiration of stock options		-	-	-	(7,886)	7,886	-
Loss and comprehensive loss for the period		-	-	-	-	(570,863)	(570,863)
Balance, December 31, 2023		11,307,265	$ 50,358,063	$ -	$ 2,610,119	$ (43,591,178)	$ 9,377,004

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)
NINE MONTHS ENDED DECEMBER 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (785,847)	$ (570,863)
Items not affecting cash:		
Depreciation	-	32,367
Foreign exchange	69,682	62,676
Gain on sale of exploration and evaluation assets	(40,000)	(50,000)
Interest expense	27,077	7,590
Share-based payments	-	110,584
Changes in non-cash working capital items:		
Accounts receivable	2,562	24,220
Prepaid expenses and deposits	15,107	(2,626)
Accounts payable and accrued liabilities	51,257	140,432
Amounts due to related parties	544,766	46,716
Net cash used in operating activities	(115,396)	(198,904)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(87,137)	(167,611)
Proceeds from sale of exploration and evaluation assets	40,000	50,000
Net cash used in investing activities	(47,137)	(117,611)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from related parties	157,766	133,187
Proceeds from issuance of share capital	-	152,750
Share issuance costs	-	(6,270)
Payment of lease liability	-	(40,968)
Net cash provided by financing activities	157,766	238,699
Change in cash during the period	(4,767)	(77,816)
Cash, beginning of the period	6,833	81,600
Cash, end of the period	$ 2,066	$ 3,784

Supplemental cash flow information (Note 13)

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

1. NATURE OF BUSINESS

Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.) (the "Company") was incorporated on September 1, 2006 under the laws of British Columbia, Canada, and maintains its head office at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. Its registered office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. Effective December 1, 2023, the Company changed its name to Badlands Resources Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "BLDS", on the OTC Pink under the symbol "BDLNF" and on the Frankfurt Stock Exchange under the symbol "B7Q".

On December 1, 2023, the Company consolidated its shares on a 10:1 basis. All shares shown in these condensed consolidated interim financial statements are at their post-consolidated value.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. The unaudited condensed consolidated interim financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual consolidated financial statements as at March 31, 2024 and for the year then ended, which have been prepared in accordance with IFRS, as issued by the IASB.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly owned United States (or "US") subsidiary, Mineral Mountain Resources (SD) Inc. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

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

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Going concern

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body to finance its exploration and development costs, and to resolve any environmental, regulatory or other constraints that may hinder the successful development of the assets. As at December 31, 2024, the Company had a cash balance of $2,066 and its current liabilities exceeded its current assets by $2,963,873. The aforementioned factors indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION (cont'd…)

Going concern (cont'd…)

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing, in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its condensed consolidated interim financial statements.

These condensed consolidated interim financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the condensed consolidated interim financial statements. These adjustments could be material.

Critical accounting estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates 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 period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options and agent warrants using stock pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments include:

i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

iii) The classification of financial instruments.

iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

(EXPRESSED IN CANADIAN DOLLARS)

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended March 31, 2024 were consistently applied to all periods presented, unless otherwise noted below.

New accounting standards

The Company has reviewed future new and amended IFRS pronouncements and determined that there are no standards that are not yet effective that would be expected to have a material impact on the Company's condensed consolidated interim financial statements.

4. PREPAID EXPENSES AND DEPOSITS

	December 31, 2024	March 31, 2024
Exploration deposits	$ 27,678	$ 27,678
Prepaid expenses	21,693	36,872
	$ 49,371	$ 64,550

5. RESTRICTED CASH

The Company provided corporate credit cards to a director with a credit limit totaling $21,760 ($15,000 in Canadian and $5,000 in US) for the Company's expenses. As collateral for the credit cards, the Company had a one-year term deposit of $17,250 earning average annual interest at the prime rate minus 2.27% and a one-year US term deposit of US$5,750 earning annual interest of 0.20%. The credit cards were cancelled and the term deposits redeemed during the year ended March 31, 2024.

(EXPRESSED IN CANADIAN DOLLARS)

6. PROPERTY AND EQUIPMENT

	Right-of-use Asset	Computer Equipment	Office Equipment	Field Equipment	Total
Cost					
Balance as at March 31, 2024 and December 31, 2024	$ 214,457	$ 7,970	$ 13,299	$ 20,367	$ 256,093
Accumulated depreciation					
Balance as at March 31, 2024	214,457	7,970	13,299	18,726	254,452
Depreciation for the period	-	-	-	1,527	1,527
Balance as at December 31, 2024	214,457	7,970	13,299	20,253	255,979
Net value as at December 31, 2024	$ -	$ -	$ -	$ 114	$ 114

	Right-of-use Asset	Computer Equipment	Office Equipment	Field Equipment	Total
Cost					
Balance as at March 31, 2023 and March 31, 2024	$ 214,457	$ 7,970	$ 13,299	$ 20,367	$ 256,093
Accumulated depreciation					
Balance as at March 31, 2023	171,566	7,970	13,100	16,689	209,325
Depreciation for the year	42,891	-	199	2,037	45,127
Balance as at March 31, 2024	214,457	7,970	13,299	18,726	254,452
Net value as at March 31, 2024	$ -	$ -	$ -	$ 1,641	$ 1,641

During the nine months ended December 31, 2024, the Company expensed $nil (year ended March 31, 2024 - $43,090) in depreciation to the condensed consolidated interim statements of comprehensive loss and capitalized $1,527 (year ended March 31, 2024 - $2,037) to exploration and evaluation assets.

(EXPRESSED IN CANADIAN DOLLARS)

7. EXPLORATION AND EVALUATION ASSETS

	March 31, 2023	Additions (Recoveries)	March 31, 2024	Additions (Recoveries)	December 31, 2024
Standby Gold Project, South Dakota					
Acquisition costs					
Option payments	$ 2,150,850	$ -	$ 2,150,850	$ -	$ 2,150,850
Staking and other property costs	1,569,906	126,719	1,696,625	136,586	1,833,211
	3,720,756	126,719	3,847,475	136,586	3,984,061
Exploration costs					
Assays	198,140	13,128	211,268	53,476	264,744
Drilling	3,391,594	34,874	3,426,468	6,171	3,432,639
Equipment rental	131,073	2,037	133,110	1,527	134,637
Fieldwork	204,502	769	205,271	-	205,271
Geological consulting (recovery)	1,668,622	260,531	1,929,153	(24,024)	1,905,129
Geophysical survey	447,254	-	447,254	-	447,254
Miscellaneous	593,020	11,341	604,361	-	604,361
State and local taxes (recovery)	228,327	(11,083)	217,244	461	217,705
Travel	173,337	15,829	189,166	-	189,166
	7,035,869	327,426	7,363,295	37,611	7,400,906
	$ 10,756,625	$ 454,145	$ 11,210,770	$ 174,197	$ 11,384,967

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Standby Gold Project, South Dakota

The Company's Standby Gold Project is located in the Rochford Mining District of the Black Hills, South Dakota. The Standby Gold Project includes the following properties:

BHB Claims

On March 7, 2016, the Company and its wholly owned US subsidiary entered into a purchase and sale agreement with four individuals (collectively, the "Owners") to purchase a 100% interest in 19 unpatented lode mineral claims ("BHB Claims") located in the Rochford Mining District and the historical database pertaining to the BHB Claims in consideration of 400,000 shares of the Company (issued during the year ended March 31, 2017 with a fair value of $1,500,000).

In addition, the Company agreed to grant the Owners a collective 2% net smelter return royalty ("NSR") on the BHB Claims, a collective 1% NSR on the Company's Rochford Claims and a collective 1.5% NSR on claims falling within the area of mutual interest ("Area of Interest Claims Royalty"). The Area of Interest Claims Royalty will only be granted if the acquired property or properties are not already burdened with a royalty.

Standby Property

On September 2, 2016, the Company and its wholly owned US subsidiary entered into an option agreement to acquire a 100% interest in 9 patented lode mineral claims located in the Rochford Mining District. Pursuant to the option agreement, the Company made cash payments of US$500,000 to the optionor and earned a 100% interest in the Standby Property.

In addition, the Company agreed to grant the optionor a 2% NSR. The Company has the option to purchase up to one-half of the NSR (1%) at the price of US$1,500,000 for 1% NSR or a proportionate amount if the Company purchases less than 1% of the NSR.

Straw Lake Property, Ontario

The Company holds a 100% interest in certain mineral claims in the Kenora Mining District in northwestern Ontario, previously known as the Straw Lake project. On June 3, 2021, the Company entered into an agreement to sell its interest in the Straw Lake claims for a total of $200,000, receivable in four equal instalments over a three-year period. The Company received the first instalment of $50,000 upon signing of the agreement, and during the year ended March 31, 2023, received the second instalment of $50,000. During the year ended March 31, 2024, the Company received the third instalment of $50,000, which has been recorded as a gain on sale of exploration and evaluation assets in the consolidated statements of comprehensive loss. Subsequent to March 31, 2024, the agreement was re-negotiated to amend the total proceeds from $200,000 to $190,000 and the final payment from $50,000 to $40,000. During the nine months ended December 31, 2024, the Company received the final instalment of $40,000, which has been recorded as a gain on sale of exploration and evaluation assets in the condensed consolidated interim statements of comprehensive loss.

(EXPRESSED IN CANADIAN DOLLARS)

8. LEASE LIABILITY

A continuity of the Company's lease liability is as follows:

Balance as at March 31, 2023	$	51,234
Interest accrued		3,391
Lease payments paid during the period		(54,625)
Balance as at March 31, 2024 and December 31, 2024	$	-

The Company discounted remaining lease payments using its incremental borrowing rate, which was a weighted average rate of 12%. The Company's share of operating costs for the nine months ended December 31, 2024 were $nil (2023 - $25,028), which are variable and were therefore expensed in net loss. The Company's lease term for its office premises ended on March 31, 2024.

During the nine months ended December 31, 2024, the Company paid $30,000 (2023 - $nil) for its share of rent at its new premises. The lease is considered short term, as it is month-to-month and can be cancelled by either party.

9. LOANS PAYABLE

On August 25, 2023, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $113,188. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 25, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $9,360 (2023 - $4,023) of interest, resulting in a balance of $129,485 as at December 31, 2024 (March 31, 2024 - $120,125). The loan is past due as of December 31, 2024.

On October 12, 2023, the Company entered into a bridge loan agreement with a company controlled by the chief financial officer of the Company. Under the terms of the agreement, the Company borrowed $20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of April 12, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $1,633 (2023 - $444) of interest, resulting in a balance of $22,585 as at December 31, 2024 (March 31, 2024 - $20,953). The loan is past due as of December 31, 2024.

On February 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $70,143. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 1, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $5,554 (2023 - $nil) of interest, resulting in a balance of $76,835 as at December 31, 2024 (March 31, 2024 - $71,281). The loan is past due as of December 31, 2024.

On March 14, 2024, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed $54,808. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 14, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $4,531 (2023 - $nil) of interest, resulting in a balance of $59,611 as at December 31, 2024 (March 31, 2024 - $55,079). The loan is past due as of December 31, 2024.

(EXPRESSED IN CANADIAN DOLLARS)

9. LOANS PAYABLE (cont'd…)

On July 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of January 1, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $1,024 (2023 - $nil) of interest, resulting in a balance of $21,024 as at December 31, 2024 (March 31, 2024 - $nil).

On August 23, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed $137,766. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 23, 2025 and the day the Company closes a financing resulting in gross proceeds equal to or greater than $1,000,000. During the nine months ended December 31, 2024, the Company has accrued $4,975 (2023 - $nil) of interest, resulting in a balance of $142,741 as at December 31, 2024 (March 31, 2024 - $nil).

Balance as at March 31, 2023	$	-
Advances		258,139
Interest accrued		9,299
Balance as at March 31, 2024		267,438
Advances		157,766
Interest accrued		27,077
Balance as at December 31, 2024	$	452,281
Current liability	$	452,281
Long-term liability	$	-

10. RELATED PARTY TRANSACTIONS

Amounts due to related parties of $1,139,941 (March 31, 2024 - $595,175) were for services rendered to the Company by its directors and officers or companies controlled by its directors and officers, as well as expense reimbursements, and are unsecured, non-interest-bearing and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the nine months ended December 31, 2024 and 2023 is as follows:

		2024		2023
Management fees	$	450,000	$	213,500
Professional fees		-		7,554
Share-based payments		-		82,902
Total	$	450,000	$	303,956

10. RELATED PARTY TRANSACTIONS (cont'd…)

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the nine months ended December 31, 2024:

a) Incurred management fees of $nil (2023 - $60,000) to a company controlled by a director (and formerly the president).

b) Incurred management fees of $nil (2023 - $15,000) to a company controlled by a former director.

c) Incurred management fees of $nil (2023 - $21,000) to a former director.

d) Incurred management fees of $nil (2023 - $12,500) to the former chief financial officer.

e) Incurred professional fees of $nil (2023 - $7,066) and other fees of $nil (2023 - $488) to a company with the corporate secretary in common with the Company.

f) Incurred management fees of $135,000 (2023 - $45,000) to a company controlled by the chief executive officer.

g) Incurred management fees of $135,000 (2023 - $45,000) to a company controlled by the executive chair.

h) Incurred management fees of $67,500 (2023 - $15,000) to a company controlled by the chief financial officer.

i) Incurred management fees of $67,500 (2023 - $nil) to a company controlled by the corporate secretary.

j) Incurred management fees of $45,000 (2023 - $nil) to a company controlled by a close family member of the chief executive officer.

During the year ended March 31, 2022, the Company entered into three agreements with a company controlled by a current director, a now former director and a company controlled by a now former director for management and corporate consulting services for a total monthly fee of $22,000. These agreements were for a one-year term and continued thereafter on a month-to-month basis and could be terminated with six months' notice or a termination payment equal to six months' remuneration. These agreements were terminated during the year ended March 31, 2024, with two of the parties agreeing to forgive a portion of the balances owing in exchange for payment within five business days of the Company completing a private placement of not less than $2,000,000. During the year ended March 31, 2024, the Company recorded a gain on settlement of balances owing of $102,350 and $141,500 to reduce balances owing of $149,350 and $181,500 to $47,000 and $40,000, respectively.

On February 1, 2024, the Company entered into consulting agreements with the chief executive officer, executive chair, chief financial officer and corporate secretary. The agreements include termination and change of control clauses. In the case of termination, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the annual base fee payable. In the case of a change of control, the parties are entitled to an amount equal to a multiple (ranging from one to two times) of the sum of the annual base fee and minimum incentive fee payable. As at December 31, 2024, the total annual base fee payable to the parties is $540,000 and the minimum incentive fee payable on a change of control would be $135,000.

During the nine months ended December 31, 2024, the Company incurred $22,500 (2023 - $nil) in office and miscellaneous and $36,000 (2023 - $nil) in media and news dissemination to a company controlled by the executive chair.

During the nine months ended December 31, 2024, the Company incurred $30,000 (2023 - $nil) in rent to a company with a common officer.

(EXPRESSED IN CANADIAN DOLLARS)

11. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued and outstanding

There were no share transactions during the nine months ended December 31, 2024.

During the year ended March 31, 2024, the Company completed a non-brokered private placement of 365,751 units at a price of $1.00 per unit for gross proceeds of $365,751. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share for a period of 12 months at an exercise price of $2.50; $73,150 was allocated to the warrants based on the residual method. The Company received subscription proceeds of $213,001 in the period prior to March 31, 2023 and the balance of $152,750 subsequent to March 31, 2023. The Company incurred share issuances costs of $7,270 in connection with the private placement. Related parties subscribed to 92,084 units for proceeds of $92,084.

12. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of five years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the TSX-V's policies.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, March 31, 2023	752,500	$	1.70
Granted	15,000	$	1.20
Expired	(62,500)	$	1.78
Balance at March 31, 2024	705,000	$	1.70
Expired	(162,500)	$	1.71
Balance at December 31, 2024	542,500	$	1.69
Exercisable at December 31, 2024	542,500	$	1.69

(EXPRESSED IN CANADIAN DOLLARS)

12. SHARE-BASED PAYMENTS (cont'd…)

Stock options (cont'd…)

The fair value calculated for stock options granted during the nine months ended December 31, 2024 was $nil (year ended March 31, 2024 - $13,226) using the Black-Scholes option pricing model. For the nine months ended December 31, 2024, the Company recognized share-based payment expense of $nil (year ended March 31, 2024 - $110,584) for the portion of stock options that vested during the period. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2024	2023
Risk-free interest rate	N/A	3.54%
Expected life of options	N/A	3 Years
Annualized volatility	N/A	107%
Dividend rate	N/A	Nil
Weighted average grant date fair value	N/A	$0.88

As at December 31, 2024, the following stock options were outstanding:

Number of Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
20,000	$ 4.00	0.01	January 3, 2025*
15,000	$ 1.00	0.32	April 26, 2025
172,500	$ 2.50	1.06	January 21, 2026
65,000	$ 1.20	1.10	February 5, 2026
15,000	$ 1.20	1.40	May 26, 2026
50,000	$ 1.00	2.25	April 1, 2027
205,000	$ 1.20	3.10	February 5, 2028
542,500	$ 1.70	1.89	

*See Note 19(a)

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agent warrants are measured at fair value on the date of the grant, as determined using the Black-Scholes option pricing model.

(EXPRESSED IN CANADIAN DOLLARS)

12. SHARE-BASED PAYMENTS (cont'd…)

Warrants (cont'd…)

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2023	1,253,737	$	2.80
Granted	365,751	$	2.50
Expired	(1,253,737)	$	2.85
Balance, March 31, 2024	365,751	$	2.50
Expired	(365,751)	$	2.50
Balance, December 31, 2024	-	$	-

13. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the nine months ended December 31, 2024 included:

a) The Company allocated depreciation of equipment of $1,527 to exploration and evaluation assets.

b) Included in accounts payable and accrued liabilities is $1,045,010 related to exploration and evaluation assets.

Significant non-cash investing and financing transactions during the nine months ended December 31, 2023 included:

a) The Company allocated depreciation of equipment of $1,528 to exploration and evaluation assets.

b) Included in accounts payable and accrued liabilities is $878,227 related to exploration and evaluation assets.

14. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash is classified as subsequently measured at amortized cost; and accounts payable and accrued liabilities, amounts due to related parties and loans payable, as subsequently measured at amortized cost financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

14. FINANCIAL INSTRUMENTS (cont'd…)

Financial risk management (cont'd)

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 credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal, as it is held with high-credit quality financial institutions. Management does not expect counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at December 31, 2024, the Company had a cash balance of $2,066 and current liabilities of $3,017,772. The Company's financial liabilities include accounts payable and accrued liabilities, which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants, as well as loans from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk to the extent of cash maintained at financial institutions. The interest rate risk on cash is not considered significant due to the short-term nature and maturity. The interest rate risk on loans payable is minimal, as the loans have fixed interest rates.

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At December 31, 2024, the Company had financial assets of $367 and financial liabilities of $1,078,336 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately $108,000. The Company does not hedge its foreign exchange risk.

15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

15. FAIR VALUE MEASUREMENTS (cont'd…)

As at December 31, 2024, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the nine months ended December 31, 2024.

16. SEGMENTED INFORMATION

The Company operates in a single reportable segment – the acquisition, exploration and development of mineral properties. The Company's non-current assets are located in the United States.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

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 common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There has been no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

18. CONTINGENCIES

The Company establishes liabilities for litigation and contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. During the year ended March 31, 2024, the Company was subject to two legal claims for unpaid debt. Of the two legal claims, one matter was paid during the year ended March 31, 2024, and the other was paid both during the year ended March 31, 2024 and nine months ended December 31, 2024. Based on information currently known to management, no further liability for either claim remains at December 31, 2024.

19. SUBSEQUENT EVENTS

a) Subsequent to December 31, 2024, 20,000 stock options expired unexercised.

b) Subsequent to December 31, 2024, a civil claim was filed against the Company by a company controlled by a former director for unpaid debt. The amount of the claim is included amounts due to related parties at December 31, 2024. As of February 19, 2025, the Company has not responded to the claim or paid the debt.