

CONQUEST RESOURCES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited

For Three and Nine Months Ended September 30, 2025

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

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CONDENSED INTERIM FINANCIAL STATEMENTS

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For Three and Nine Months Ended September 30, 2025

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CONQUEST RESOURCES LIMITED
Condensed Interim Statements of Financial Position
As at September 30, 2025
Unaudited - prepared by management
(Expressed in Canadian dollars)

		September 30 2025	December 31 2024
	Notes	\$	\$
ASSETS			
Current			
Cash and cash equivalents		433,943	689,748
Marketable securities	4	470,000	254,800
Amounts receivable	5	17,841	94,039
Prepaid expense		4,011	13,080
		<u>925,795</u>	<u>1,051,667</u>
Non-current			
Marketable securities		-	25,200
Total assets		<u>925,795</u>	<u>1,076,867</u>
LIABILITIES			
Current			
Amounts payable and accrued liabilities	6	38,948	101,023
Contract liability	8	<u>42,698</u>	<u>47,743</u>
Total liabilities		<u>81,646</u>	<u>148,766</u>
SHAREHOLDERS' EQUITY			
Capital stock	9	24,012,178	24,012,178
Share-based payment reserve	10	957,402	957,402
Deficit		<u>(24,125,431)</u>	<u>(24,041,479)</u>
Total shareholders' equity		<u>844,149</u>	<u>928,101</u>
Total liabilities and shareholders' equity		<u>925,795</u>	<u>1,076,867</u>

Nature of operations (Note 1)
Commitments and contingencies (Notes 1, 7 and 12)

The financial statements were approved by the Board of Directors on November 20, 2025 and signed on its behalf by:

Signed "John F. Kearney" , Director

Signed "Tom Obradovich" , Director

See accompanying notes to the condensed interim financial statements

CONQUEST RESOURCES LIMITED**Condensed Interim Statements of Operations and Comprehensive Loss (Income)****For the three and nine months ended September 30, 2025 and 2024**

Unaudited - prepared by management

Expressed in Canadian dollars

		Three months ended September 30		Nine months ended September 30	
		2025	2024	2025	2024
	Notes	\$	\$	\$	\$
Expenses					
Acquisition, exploration and evaluation expenses	7	9,099	139,747	34,959	162,500
Share-based payment	10	-	136,189	-	136,189
Professional fees	11	46,390	64,833	208,358	214,240
Corporate expenses		9,311	10,301	33,524	31,642
Office and general		5,629	5,031	16,191	16,318
Loss before other items		<u>70,429</u>	<u>356,101</u>	<u>293,032</u>	<u>560,889</u>
Other items					
Other income	8	-	(128,385)	(5,000)	(128,385)
Interest income		(2,409)	(8,870)	(14,080)	(28,470)
Change in fair value of marketable securities	4	<u>(165,000)</u>	<u>(20,000)</u>	<u>(190,000)</u>	<u>270,000</u>
Net loss (income) and comprehensive loss (income) for the period		<u>(96,980)</u>	<u>198,846</u>	<u>83,952</u>	<u>674,034</u>
Net loss (earnings) per common share					
- Basic and diluted		(0.001)	0.001	0.001	0.005
Weighted average common shares outstanding					
- Basic and diluted		135,477,106	135,477,106	135,477,106	135,477,106

See accompanying notes to the condensed interim financial statements

CONQUEST RESOURCES LIMITED**Condensed Interim Statements of Changes in Equity****For the nine months ended September 30, 2025 and 2024**

Unaudited - prepared by management

(Expressed in Canadian dollars)

	Number of Common Shares	Capital Stock \$	Share-Based Payment Reserve \$	Deficit \$	Total \$
Balance January 1, 2024	135,477,106	24,012,178	1,028,453	(23,420,007)	1,620,624
Stock options issued	-	-	136,189	-	136,189
Loss for the period	-	-	-	(674,034)	(674,034)
Balance September 30, 2024	<u>135,477,106</u>	<u>24,012,178</u>	<u>1,164,642</u>	<u>(24,094,041)</u>	<u>1,082,779</u>
 Balance January 1, 2025	 135,477,106	 24,012,178	 957,402	 (24,041,479)	 928,101
Loss for the period	-	-	-	(83,952)	(83,952)
Balance September 30, 2025	<u>135,477,106</u>	<u>24,012,178</u>	<u>957,402</u>	<u>(24,125,431)</u>	<u>844,149</u>

See accompanying notes to the condensed interim financial statements

CONQUEST RESOURCES LIMITED
Condensed Interim Statements of Cash Flows
For the nine months ended September 30, 2025 and 2024
Unaudited - prepared by management
(Expressed in Canadian dollars)

	2025 \$	2024 \$
Cash flows from operating activities		
Net loss for the period	(83,952)	(674,034)
Expenses recovered through VerAI drilling financing	(5,045)	(128,385)
Share-based payments	-	136,189
Change in fair value of marketable securities	(190,000)	270,000
	<u>(278,997)</u>	<u>(396,230)</u>
Movements in working capital		
Decrease/(increase) in amounts receivable and prepaid expenses	85,267	(65,470)
Increase/(decrease) in accounts payable and accrued liabilities	(62,075)	133,504
Net cash used in operating activities	<u>(255,805)</u>	<u>(328,196)</u>
Cash flows from financing activities		
Proceeds from VerAI drilling financing	-	730,549
Net cash received from financing activities	<u>-</u>	<u>730,549</u>
Change in cash and cash equivalents	(255,805)	402,353
Cash and cash equivalents, beginning of period	689,748	1,016,428
Cash and cash equivalents, end of period	<u>433,943</u>	<u>1,418,781</u>

See accompanying notes to the condensed interim financial statements

CONQUEST RESOURCES LIMITED
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

1. NATURE OF OPERATIONS

Conquest Resources Limited (the “Company” or “Conquest”) has interests in exploration and evaluation properties located in northern Ontario. Substantially all of the Company's efforts are devoted to exploring and developing these properties. Conquest is a public company listed on the TSX Venture Exchange (“TSX-V”) and trades under the symbol “CQR.V”. The Company's head office is located at 181 University Ave, Suite 1413, Toronto, Ontario, M5H 3M7.

There has been no determination whether the Company's interests in its properties contain mineral resources which are economically recoverable. Major expenditures are required to locate and establish mineral deposits, to develop metallurgical processes and to construct mining and processing facilities. The Company's continued existence is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted. The Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, however, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts, and political uncertainty.

At September 30, 2025, the Company had not achieved profitable operations, had an accumulated deficit since inception and expects to incur further losses in the development of its business. These condensed interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months at the minimum. The Company continues to evaluate its estimates and assumptions based on its historical performance and other factors including expectations of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PREPARATION AND PRESENTATION

These condensed interim financial statements of the Company and its subsidiaries were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The accounting policies set out below were consistently applied to all periods presented, unless otherwise noted.

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024, prepared in accordance with IFRS.

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. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information.

Areas of critical accounting judgments, estimates and assumptions in applying the entity's accounting policies have been disclosed in note 3 to the Company's audited financial statements for the year ended December 31, 2024.

3. NEW AND SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these interim condensed financial statements are the same as those applied by the Company in its audited financial statements for the year ended December 31, 2024.

CONQUEST RESOURCES LIMITED
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

3. NEW AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards

There are currently no accounting standards issued but not yet effective that the Company anticipates will have any material impact on the Company's unaudited condensed interim financial statements or disclosure.

New standards and amendments issued and applicable to the Company are described below:

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures);
- enhanced principles on aggregation and disaggregation of totals and disclosures which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1 while many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company will perform an assessment of the impact of this new standard on its financial statements prior to the effective date of January 1, 2027.

4. MARKETABLE SECURITIES

At September 30, 2025, the Company held 500,000 (December 31, 2024 – 500,000) Atha Shares with a quoted market value of \$470,000 (December 31, 2024 – \$ 280,000), of which 90,000 (December 31, 2024 – 90,000) shares with a fair value of \$84,600 (December 31, 2024 – \$ 50,400) are subject to trade restriction periods within 12 months from the date of these financial reports and have been classified as current assets. At December 31, 2024, there were 45,000 shares subject to trade restriction periods beyond 12 months from the date of the financial reports and were classified as non-current assets.

An unrealized valuation gain of \$165,000 (2024 – \$20,000) and a gain of \$190,000 (2024 – loss of \$270,000) were recorded, respectively on the condensed interim statement of operations for the three and nine months ended September 30, 2025.

5. AMOUNTS RECEIVABLE

	September 30 2025 \$	December 31 2024 \$
HST recoverable	9,600	81,230
Accrued interest on short term cash deposit	5,569	10,137
Other receivable	2,672	2,672
	<u>17,841</u>	<u>94,039</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30 2025 \$	December 31 2024 \$
Trade payables	1,474	61,159
Payable to related parties (Note 11)	23,674	21,864
Accrued liabilities	13,800	18,000
Total amounts payable and accrued liabilities	<u>38,948</u>	<u>101,023</u>

CONQUEST RESOURCES LIMITED
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

7. MINERAL PROPERTIES – ACQUISITION, EXPLORATION AND EVALUATION EXPENDITURES

The following table shows the Company's cumulative acquisition, exploration and evaluation expenditures which have been expensed according to the Company's accounting policy. Proceeds from transfer-out arrangements, such as property option agreement, are recorded as a reduction to the acquisition, exploration and evaluation expenses when they were received. The amount of proceeds in excess of the total acquisition, exploration and evaluation expenses incurred by the Company in the period, if any, are recorded as other income.

	September 30 2025 \$	Additions 2025 \$	December 31 2024 \$	Additions 2024 \$	January 1, 2024 \$
Belfast-TeckMag	9,381,064	32,711	9,348,353	719,378	8,628,975
Proceeds from Atha option	(807,000)	-	(807,000)	-	(807,000)
Alexander	6,257,520	1,792	6,255,728	1,792	6,253,936
Smith Lake	1,272,015	456	1,271,559	455	1,271,104
King Bay	1,003,189	-	1,003,189	-	1,003,189
Other	14,189	-	14,189	9,590	4,599
Total	17,120,977	34,959	17,118,018	731,215	16,454,195

Belfast-TeckMag, Emerald Lake, Ontario

The Belfast-TeckMag Project is comprised of multiple properties evolved from the Company's original Golden Rose Property. In 2017, the Company acquired certain mining leases, staked mining claims and adjacent claim blocks, collectively known as the Golden Rose Property, situated in Afton and Scholes townships at Emerald Lake approximately 65 km northeast of Sudbury, Ontario. A portion of the Golden Rose property comprising unpatented staked claims is subject to a 1.5% net smelter return ("NSR") in favour of Osisko Gold Royalties Ltd., and the patented claims and leases are subject to a 2% NSR in favour of EnerMark Inc.

In October 2020, through the acquisition of Canadian Continental Exploration Corp. ("CCEC"), the Company acquired the TeckMag Property comprised of a large package of mining claims which surrounds the Golden Rose Property.

In November 2020, the Company acquired the Belfast Property by staking and acquisition of certain mining claim cells adjacent to the TeckMag Property. In addition, certain mining claim cells were purchased in the Belfast area from a third party for \$10,000 and the issuance of 100,000 shares of Conquest valued at \$18,000 at the date of their issuance. On November 2, 2020, the Board of Directors awarded an incentive bonus to the initiators of the Belfast Property in the form of the grant of a total NSR of 1.5 % on the Belfast Project to certain management of the Company.

In March 2021, Conquest acquired the JPC property in Clement Township, Ontario from a private individual. The Company paid \$13,000 cash and issued 250,000 common shares for a 100% interest in the JPC property, which is located to the southeast of the Golden Rose Property, subject to a 1% NSR. Conquest may purchase half of the NSR royalty for \$500,000 at any time and holds a Right of First Refusal on the balance of the royalty.

In March 2021, pursuant to a purchase and sale agreement dated March 12, 2021 with Teck Resources Limited ("Teck"), Conquest acquired a 100% interest in the DGC Ni-Cu-PGE property located in Afton Township, Ontario by issuing 1,800,000 common shares to Teck subject to a 2% NSR retained by Teck.

On July 19, 2022, Conquest entered into an agreement granting an option to Atha Energy Corp. to acquire up to 100% undivided interest in four mineral leases representing a portion of the Golden Rose Property, a segment of the Belfast TeckMag Property (the "Atha Option Agreement"). To fully exercise the option, Atha must issue an aggregate of 1,500,000 shares and make cash payments to the total of \$1,000,000 to Conquest over a period of 36 months. Atha has also agreed to grant Conquest a 1% NSR on the optioned mineral leases. On August 24, 2022, the Company received from Atha the initial cash payment of \$100,000 and \$10,000 to cover the cost of a technical report on the property optioned. On March 30, 2023 and November 15, 2023, the Company received an initial and second tranche of 200,000 and 300,000 Atha Shares, respectively. No such proceeds of cash or shares were received in the year ended December 31, 2024, nor in the nine months ended September 30, 2025.

Pursuant to a Royalty Purchase and Sale Agreement entered in February 2024 with VDI Resources LLC ("VerAI"), a subsidiary of VerAI Discoveries Inc. Conquest granted VerAI a 1.5% net smelter return royalty on certain target areas of the Belfast TeckMag Project with recommended drilling locations generated by VerAI, utilizing its proprietary artificial intelligence ("AI") technology. Conquest also agreed to grant VerAI an additional 1.5% NSR (the "Royalty Option") in return for funding a drill program for testing four targets identified by VerAI on the Belfast TeckMag Project.

CONQUEST RESOURCES LIMITED
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For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

7. MINERAL PROPERTIES – EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Alexander Property, Red Lake, Ontario

The Company has earned a 100% interest in the Alexander Property, a group of patented mining claims situated in Balmer Township, Red Lake Mining District, Ontario, subject to a 2% NSR in favour of Energold Minerals Inc. ("Energold"). Energold is controlled by a director of the Company.

Smith Lake Property, Missinabie, Ontario

The Company holds certain patented mining leases and mining claims in the Missinabie area of Northern Ontario, in Leeson, Stover and Rennie Townships, Sault Ste. Marie Mining Division.

King Bay Property, Sturgeon Lake, Ontario

The King Bay property comprises a mining Lease and certain patented mining claims at Sturgeon Lake, in northwestern Ontario.

8. VerAI Drill Fund

On September 11, 2024, VerAI exercised the Royalty Option and made a cash payment to the Company in the amount of \$730,549 to fund all the expenditures for a 3,000-metre diamond drill program on the Belfast TeckMag Project (the "VerAI Drill Fund") (note 7). Upon receipt of the VerAI Drill Fund, the Company recorded the amount as contract liabilities, which are then reduced and recognized as other income as eligible drilling expenses are incurred by the Company and reimbursed through the VerAI Drill Fund. During the nine months ended September 30, 2025, the Company recorded other income of \$5,000 (2024 - \$128,385) for the amount of eligible expenditures incurred and reimbursed through the VerAI Drill Fund. The remainder of the VerAI Drill Fund of \$42,698 (December 31, 2024- \$47,743) were recorded as contract liabilities at September 30, 2025.

9. CAPITAL STOCK

The Company's authorized share capital consists of an unlimited number of common shares. There were no changes to the Company's capital stock during the three and nine months ended September 30, 2025 and 2024. The number of common shares issued and outstanding remained 135,477,106 shares at September 30, 2025 and December 31, 2024, unchanged since the beginning of 2024.

10. STOCK OPTIONS

The board of directors has approved a stock option plan for directors, officers, management, employees and other persons who perform ongoing services for the Company or any of its subsidiaries. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and to benefit from its growth.

The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed ten percent of the total number of common shares outstanding immediately prior to such an issuance. The maximum number of common shares reserved for issuance to any one participant upon the exercise of options is not to exceed five percent of the total number of common shares outstanding immediately prior to such an issuance. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

There were no options granted, exercised or expired during the three and nine months ended September 30, 2025. 2024. On August 27, 2024, the Company granted a total of 4,000,000 stock options to its directors, officers and consultants, vesting immediately with an exercise price of \$0.05 per share, for a term of five years. Amongst the total stock options granted, 3,200,000 were awarded to directors and officers of the Company. The total grant date fair value of the options was estimated at \$136,189. The estimated fair value was calculated using the Black-Scholes option pricing model with the following assumptions: share price of \$0.025, expected dividend yield of 0%; expected volatility of 201%; risk free interest rate of 2.94% and expected life of 5 years. There were no options expired or exercised during the three and nine months ended September 30, 2024.

The options outstanding have a weighted average remaining life of 1.88 years at a weighted average exercise price of \$0.131 at September 30, 2025. The following table summarizes the stock options outstanding as at September 30, 2025:

CONQUEST RESOURCES LIMITED
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

10. STOCK OPTIONS (CONTINUED)

Exercise Price \$	Options Outstanding	Options Exercisable	Expiry date	Remaining Life to Expiry (Years)
0.150	1,800,000	1,800,000	August 19, 2026	0.9
0.200	4,175,000	4,175,000	February 9, 2026	0.4
0.050	4,000,000	4,000,000	August 27, 2029	3.9
	9,975,000	9,975,000		

11. RELATED PARTY TRANSACTIONS

Other than the vesting of previously granted stock options, no fees were paid by the Company to directors for their services as directors of the Company in the three and nine months ended September 30, 2025 and 2024.

During the nine-month period ended September 30, 2025, total expenses of \$201,920 (2024 - \$197,039) were charged by related parties, including \$135,000 (2024 - \$135,000) by the President and Chief Executive Officer of the Company for management fees; \$18,000 (2024 - \$18,000) by an affiliate of the Chairman of the Company, for executive consulting services; \$21,900 (2024 - \$20,900) by a company controlled by Chief Financial Officer of the Company for professional services; \$14,020 (2024 - \$16,139) by Secretary of the Company, for corporate secretary services; and \$13,000 (2024 - \$9,000) for rent by Buchans Resources Limited, a company with common directors.

Included in accounts payable and accrued liabilities at September 30, 2025 are \$23,674 (December 31, 2024 - \$23,726) due to related parties. Such amounts are due on demand, unsecured and non-interest bearing.

12. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

13. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major Canadian banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts owing to the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held in Canadian banks.

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals, particularly gold.

Fair value hierarchy and liquidity risk disclosure

The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) 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) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). At September 30, 2025, the Company held marketable securities at a fair value of \$470,000 (December 31, 2024 - \$280,000) classified within Level 1 of the fair value hierarchy. The carrying amounts for cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities on the statements of financial position approximate their fair value because of the limited term of these instruments.

CONQUEST RESOURCES LIMITED
Notes to the Unaudited Condensed Interim Financial Statements
For the three and nine months ended September 30, 2025 and 2024
Expressed in Canadian dollars

13. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations as they come due. At September 30, 2025, the Company had cash and cash equivalents of \$433,943 (December 31, 2024 - \$ 689,748) and marketable securities at a fair value of \$470,000 (December 31, 2024 - \$ 280,000) to settle accounts payable and accrued liabilities of \$38,948 (December 31, 2024 - \$ 101,023), including \$23,674 (December 31, 2024 - \$ 21,864) liabilities due to related parties. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has relied on equity financing to fund its working capital requirement, and notwithstanding its working capital deficit, the Company believes it will be able to settle its current obligations from equity financings. There is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk through its investments in marketable securities at September 30, 2025.

Price volatility of publicly traded securities

Securities of exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations.

Capital risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain and explore its exploration assets. The capital structure of the Company consists of capital stock for common shares and reserves for warrants and stock options.

Sensitivity analysis

Cash is invested in investment-grade short-term deposit certificates. Given management's knowledge and experience in the financial markets, sensitivity to a plus or minus 1% change in interest rates, based on the current balance of cash at September 30, would affect the net loss by plus or minus \$3,850 during a one-year period.

As at September 30, 2025, the Company did not hold any material balances in foreign currencies that would give rise to exposure to foreign exchange risk.

14. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, development and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

The Company invests all capital that is surplus to its immediate operational needs in short term, highly liquid financial instruments, such as short term guaranteed investment certificates, held with a major Canadian financial institution. At September 30, 2025, the Company has \$385,000 (December 31, 2024 - \$640,000) in guaranteed investment certificates with a major Canadian financial institution.

Management 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's capital management objectives, policies and processes have remained unchanged during the nine-month period ended September 30, 2025. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) CDN\$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.