MADORO METALS CORP.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTHS ENDED NOVEMBER 30, 2024 AND 2023

EXPRESSED IN CANADIAN DOLLARS

(Unaudited – Prepared by Management)

Suite 1450 – 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2

Tel: (604) 681-1568 / Fax: (604) 681-8240 / TF: 1-877-377-6222

Email: info@madorometals.com

Website: www.madorometals.com

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

The Company’s independent auditor DAVIDSON & COMPANY LLP has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed consolidated financial statements by an entity’s auditor.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Notes		As At **November 30, 2024**		As At February 29, 2024
ASSETS					
Current assets					
Cash and cash equivalents	4	**$**	**1,855,105**	$	76,917
Amounts receivable	5		**13,315**		9,538
Marketable securities	6		**45,950**		59,500
Prepaid expenses and deposits			**6,727**		6,425
Total current assets			**1,921,097**		152,380
Non-current assets					
Exploration and evaluation assets	8,10		**276,258**		231,765
TOTAL ASSETS		**$**	**2,197,355**	$	384,145
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	9	**$**	**248,942**	$	190,051
Due to related parties	13		**6,825**		9,484
Total current liabilities			**255,767**		199,535
Shareholders' equity					
Share capital	10		**9,054,381**		8,749,381
Reserves	10		**174,449**		186,107
Deficit			**(7,287,242)**		(8,750,878)
Total shareholders' equity			**1,941,588**		184,610
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**2,197,355**	$	384,145

Nature of operations (Note 1)

Approved and authorised for issue on behalf of the Board on January 28, 2025

"Robert Archer" Director *"Mary Ellen Thorburn"* Director

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

MADORO METALS CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS & COMPREHENSIVE INCOME (LOSS)
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

		Three months ended		Nine months ended	
	Notes	**November 30, 2024**	November 30, 2023	**November 30, 2024**	November 30, 2023
Expenses					
Accounting and audit fees	13	**$ 20,339**	$ 16,428	**$ 56,145**	$ 60,867
Consulting fees	13	**7,500**	7,500	**22,500**	22,500
Exploration expenditures		**-**	-	**-**	38,728
Insurance		**2,242**	3,438	**7,698**	8,738
Legal fees		**9,541**	3,874	**55,013**	81,604
Management fees	13	**22,000**	24,000	**60,000**	72,000
Office, telephone and miscellaneous		**306**	548	**1,753**	1,564
Property investigation		**-**	-	**21,637**	21,371
Rent		**3,000**	3,000	**9,000**	9,000
Shareholder information		**593**	2,546	**1,721**	4,232
Transfer agent and filing fees		**900**	3,888	**8,075**	12,183
Travel		**-**	-	**-**	1,171
Loss before other income (expenses)		**(66,421)**	(65,222)	**(243,542)**	(333,958)
Other income (expenses):					
Interest income		**87**	-	**294**	-
Gain (loss) on foreign exchange		**11,122**	1,305	**17,386**	(1,706)
Gain on court order	16	**1,698,936**	-	**1,698,936**	-
Loss on write-off of taxes receivable	5	**-**	(474)	**(7,546)**	(6,321)
Unrealized gain (loss) on marketable securities	6	**2,225**	(36,725)	**(13,550)**	(79,525)
Income (loss) and comprehensive income (loss) for the period		**$ 1,645,949**	$ (101,116)	**$ 1,451,978**	$ (421,510)
Outstanding common shares (basic and diluted)		**89,546,716**	78,646,716	**85,276,716**	70,279,989
Basic and diluted income (loss) per share		**$ 0.02**	$ (0.00)	**$ 0.02**	$ (0.01)

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

MADORO METALS CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share Capital (Note 10)		**Reserves (Note 10)**			
	Number of shares	**Amount**	**Warrants Reserve**	**Share-based payments reserve**	**Deficit**	**Total**
Balance, February 28, 2023	77,896,716	$ 8,813,131	$ 52,573	$ 167,054	$ (7,357,818)	$ 1,674,940
Shares issued for mineral property	750,000	45,000	-	-	-	45,000
Fair value of stock options expired	-	-	-	(33,520)	33,520	-
Loss and comprehensive loss for the period	-	-	-	-	(421,509)	(421,509)
Balance, November 30, 2023	78,646,716	8,858,131	52,573	133,534	(7,745,807)	1,298,431
Shares issued for mineral property	1,650,000	41,250	-	-	-	41,250
Fair value of stock returned to treasury	(6,000,000)	(150,000)	-	-	-	(150,000)
Loss and comprehensive loss for the period	-	-	-	-	(1,005,071)	(1,005,071)
Balance, February 29, 2024	74,296,716	8,749,381	52,573	133,534	(8,750,878)	184,610
Private placement	15,250,000	305,000	-	-	-	305,000
Fair value of stock options expired	-	-	-	(11,658)	11,658	-
Income and comprehensive income for the period	-	-	-	-	1,451,978	1,451,978
Balance, November 30, 2024	**89,546,716**	**$ 9,054,381**	**$ 52,573**	**$ 121,876**	**$ (7,287,242)**	**$ 1,941,588**

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

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Nine months ended	
	November 30, 2024	November 30, 2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income (loss) and comprehensive income (loss) for the period	**$ 1,451,978**	$ (421,509)
Adjustments to reconcile loss to net cash used in operating activities:		
Unrealized loss on marketable securities	**13,550**	79,525
Loss on write-off of taxes receivable	**6,321**	6,321
Office, telephone and miscellaneous	**-**	30
Net changes in non-cash working capital accounts:		
Decrease (increase) in prepaid expenses and deposits	**(302)**	7,984
Increase in amounts receivable	**(10,098)**	(9,358)
Decrease in due to related parties	**(2,659)**	(1,601)
Increase in accounts payable and accrued liabilities	**61,929**	73,232
Cash provided by (used) in operating activities	**1,520,719**	(265,376)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation expenditures	**(47,531)**	(95,279)
Cash used in investing activities	**(47,531)**	(95,279)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Private placement	**305,000**	-
Cash provided by financing activities	**305,000**	-
Net change in cash and cash equivalents	**1,778,188**	(360,655)
Balance, beginning of the period	**76,917**	520,001
Balance, end of the period	**$ 1,855,105**	$ 159,346

Supplemental cash flow information (Note 14)

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

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

1. NATURE OF OPERATIONS

Madoro Metals Corp. (the "Company"), incorporated in British Columbia on September 24, 1984, is an exploration stage public company listed on the TSX Venture Exchange and the Frankfurt Stock Exchange. The Company is assessing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under mineral property agreements and to complete the development of the properties, and upon future profitable production or the sale thereof.

The Company is listed as a Tier 2 mining exploration issuer. These interim condensed consolidated financial statements (the "Financial Statements") present the consolidated operations of the Company and its subsidiary, Minera Mazateca, S.A. de C.V. ("Minera Mazateca" or "Subsidiary"). The Company is primarily engaged in the acquisition, exploration and development of mineral properties in Quebec, Canada and in the state of Oaxaca, Mexico. As at November 30, 2024, the Company had no revenue producing operations, therefore, it is dependent on external financing to fund its operations. The Company expects to raise funds either through equity or external debt.

The Company has incurred losses since inception and expects to incur further losses in the development of its business. As at November 30, 2024, the Company had an accumulated deficit of $7,287,242 and had working capital of $1,665,330.

The Company's ability to continue as going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The head office, and principal address of the Company is Suite 1450, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records address is at 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3.

2. BASIS OF PRESENTATION

Basis of consolidation and preparation

These Financial Statements include the accounts of the Company and its subsidiary, Minera Mazateca S.A. de C.V. Details of the controlled entity are as follows:

	Country of incorporation	Percentage owned
Minera Mazateca, S.A. de C.V.	Mexico	100%

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2. BASIS OF PRESENTATION (continued)

Basis of consolidation and preparation (continued)

The results of subsidiaries acquired or disposed of during the period are included in the interim condensed consolidated statement of operations and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting. These Financial Statements should be read in conjunction with the Company's 2024 audited consolidated financial statements which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These Financial Statements have been prepared using accounting policies consistent with those used in the Company's 2024 annual financial statements except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

Basis of measurement

These interim condensed consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at fair value through profit or loss and cash flow information.

Unless otherwise noted, these Financial Statements are presented in Canadian dollars, which is also the functional currency of the Company and its Subsidiary.

Approval of the Financial Statements

The interim condensed consolidated financial statements of the Company for the period ended November 30, 2024 were authorized for issue on January 28, 2025 by the Board of Directors of the Company.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may differ from these estimates and assumptions. The change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Material accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Financial Statements within the next financial year are discussed below:

i) Exploration and evaluation expenditures

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

ii) Title to mineral property interests

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

iii) Income taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

iv) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 10.

Material accounting policy information

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, and term deposits with maturities of three months or less.

Property and equipment

Recognition and measurement

On initial recognition, property and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment are subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property and equipment (continued)

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

Depreciation

Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated on a declining balance basis at 30% per annum for office equipment. Half of the normal depreciation is taken in the year of acquisition.

Depreciation is recognized in profit or loss. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

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

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

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 profit 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options, and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currencies

The functional currency of the Company and its Subsidiary is measured using the currency of the primary economic environment in which it operates. Management has determined that the functional currency of the Company and its Subsidiary is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Gains and losses are included in net earnings.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

The financial results and position of foreign operations whose functional currency is different from the reporting currency are translated as follows:

i. assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
ii. income and expenses are translated at average exchange rates for the period.

Exchange gains and losses arising on translation are recognized in accumulated other comprehensive loss.

Income/loss per share

Basic Income (loss) per share is computed by dividing the net loss or income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted Income (loss) per share is determined by adjusting the net loss or income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments

The stock option plan (Note 10) allows Company employees and consultants to acquire shares of the Company. Share-based payments to employees are measured using the fair value method at the date of grant of stock options. An individual is classified as an employee when the individual is considered an employee for legal or tax purposes or provides similar services to those performed by an employee. Share-based payments to non-employees are measured at the fair value of goods and services received or, if it is determined that the fair value of the goods or services received cannot be reliably measured, the fair value method will be used to determine the value at the date the options are granted.

The fair value of options is determined using the Black-Scholes option pricing model and is expensed to earnings over the vesting period on a graded basis with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Company are credited to share capital. Forfeitures are estimated at the time of the grant. When options expire, the fair value of the options is transferred from share-based payment reserve with an offset to deficit.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital.

If the warrants are issued as share issuance costs, the fair value will be recorded as warrant reserve using the Black-Scholes option pricing model. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Exploration and evaluation assets

Pre-exploration costs are expensed in the period in which they are incurred.

Costs incurred to acquire the legal right to explore a property are capitalized. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property-by-property basis assuming these costs meet the definition of an asset. Costs that do not meet the definition of an asset are expensed in the period incurred. These direct expenditures include such costs as surveying costs, drilling costs, labour and contractor costs, materials used and licensing and permit fees.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

Once commercial production has commenced all capitalized costs related to the property are transferred to producing properties and the costs of acquisition, exploration and development will be depleted over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in other income for the period. If a property is abandoned, the acquisition, deferred exploration and development costs will be written off to other expenses.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets (continued)

Currently, all mineral properties of the Company are in the exploration stage.

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

Management reviews capitalized costs on its mineral properties when facts and circumstances suggest that the carrying amount of an asset may be impaired. If the recorded amount is higher than the asset's fair value less cost to sell, management will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or sale of the property.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. 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.

Payments on mineral property option agreements are made at the discretion of the Company and, accordingly, are recorded as incurred.

Mining tax credits

Mining tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mining tax credits are earned in respect of exploration costs incurred in Quebec, Canada and are recorded as a reduction of the related deferred exploration expenditures.

Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. An impairment loss is recognized in the statement of operations and comprehensive loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each period-end for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs related to its mineral property interests.

Financial instruments

i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVOCI.

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of operations and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of operations and comprehensive loss in the period in which they arise. The Company's marketable securities being equity securities of other listed entities, are classified as FVTPL.

Financial assets at FVOCI
Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company's financial assets are classified as FVOCI.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash and cash equivalents and amounts receivable.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of operations and comprehensive loss. Gains or losses on financial assets classified as FVOCI remain within accumulated other comprehensive income.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

ii) Financial liabilities

The Company classified its financial liabilities as subsequently measured at amortized cost which include amounts payable and accrued liabilities and due to related parties. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to the twelve month expected credit losses. For amounts receivable the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be objectively related to an event occurring after the impairment was recognized.

4. CASH AND CASH EQUIVALENTS

		November 30, 2024		February 29, 2024
Cash in bank	**$**	**1,843,855**	$	65,626
Term deposit		**11,250**		11,291
Cash and cash equivalents	**$**	**1,855,105**	$	76,917

5. AMOUNTS RECEIVABLE

		November 30, 2024		February 29, 2024
Taxes recoverable	**$**	**11,883**	$	9,090
Accounts receivable		**1,432**		448
Amounts receivable	**$**	**13,315**	$	9,538

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

6. MARKETABLE SECURITIES

The Company holds the following shares in publicly traded companies.

	November 30, 2024				February 29, 2024			
		Fair Value		**Cost**		Fair Value		Cost
Zincx Resources Corp.	**$**	**6,800**	**$**	**104,975**	$	5,950	$	104,975
Eloro Resources Ltd.		**29,150**		**98,660**		33,550		98,660
DeepRock Minerals Inc.		**10,000**		**81,500**		20,000		81,500
	$	**45,950**	**$**	**285,135**	$	59,500	$	285,135

7. EQUIPMENT

		Equipment
Cost:		
At February 29, 2024	$	3,439
At November 30, 2024	**$**	**3,439**
Depreciation:		
At February 29, 2024	$	3,439
Charges for the period		-
At November 30, 2024	**$**	**3,439**
Net book value:		
At February 29, 2024	$	-
At November 30, 2024	**$**	**-**

		Equipment
Cost:		
At February 28, 2023	$	3,439
At February 29, 2024	$	3,439
Depreciation:		
At February 28, 2023	$	3,409
Charges for the year		30
At February 29, 2024	$	3,439
Net book value:		
At February 28, 2023	$	30
At February 29, 2024	$	-

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

8. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition and exploration costs on its mineral properties.

	Ralleau Project Quebec, Canada	First Green Lithium Quebec, Canada	Rama de Oro Project Oaxaca, Mexico	Magdalena Project Oaxaca, Mexico	Yautepec Project Cerro Minas, Mexico	Total
Balance, February 28, 2023	**$ 35,284**	**$ 21,000**	**$ 1**	**$ 1**	**$ 1,010,057**	**$ 1,066,343**
Acquisition cost additions:						
Cash	-	35,500	-	-	-	35,500
Shares	-	86,250	-	-	-	86,250
	-	121,750	-	-	-	121,750
Exploration cost additions:						
Assays and testing	-	3,252	-	-	-	3,252
Geological consulting fees	-	33,225	-	-	1,861	35,086
Field work	605	16,649	-	-	-	17,254
Staking and claims maintenance	-	-	-	-	34,166	34,166
	605	53,126	-	-	36,027	89,758
Impairment	-	-	(1)	(1)	(1,046,084)	(1,046,086)
Balance, February 29, 2024	**35,889**	**195,876**	**-**	**-**	**-**	**231,765**
Acquisition cost additions:						
Cash	-	18,000	-	-	-	18,000
	-	18,000	-	-	-	18,000
Exploration cost additions:						
Assays and testing	-	33	-	-	-	33
Geological consulting fees	-	16,875	-	-	-	16,875
Field work	234	8,601	-	-	-	8,835
Staking and claims maintenance	750	-	-	-	-	750
	984	25,509	-	-	-	26,493
Balance, November 30, 2024	**$ 36,873**	**$ 239,385**	**$ -**	**$ -**	**$ -**	**$ 276,258**

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

8. EXPLORATION AND EVALUATION ASSETS (continued)

Ralleau Project, Quebec, Canada

On April 5, 2017, the Company entered into an option agreement with DeepRock Minerals Inc. (the "optionee") on the Company's wholly owned Ralleau Property. Under the terms of the option agreement and subsequent amendments, the optionee will be deemed to have exercised its option to acquire a 50% interest in the property by payment of $75,000 in cash, issuance of 1,400,000 in common shares of the Company, and incurring $250,000 in exploration expenditures in the period of four (4) years. During the year 2022, the optionee has fulfilled the above-mentioned obligations and the 50% interest in the Ralleau property was transferred.

First Green Lithium, Quebec, Canada

On January 31, 2023, the Company entered into an option agreement, subsequently amended, with South Shore Partnership Inc. ("South Shore") to acquire an undivided 100% right, title and interest in and to the First Green Lithium property. Pursuant to the option agreement, the Company will make cash payment of $165,000 and issue 5,400,000 shares based on the following schedule:

(i) $21,000 (paid) and 750,000 shares (issued for a total value of $45,000), on or before (February 5, 2023).
(ii) $18,000 (paid) and 1,650,000 shares (issued for a total value of $41,250).
(iii) $18,000 (paid), due on July 31, 2024.
(iv) $48,000 and 1,500,000 shares on or before January 31, 2025.
(v) $60,000 and 2,100,000 shares on or before January 31, 2026.

The Company would need to complete aggregate expenditures of $1,000,000 as follows:

(i) incur $50,000 of exploration expenditures by January 31, 2024 (incurred).
(ii) incur $375,000 of exploration expenditures by January 31, 2025.
(iii) incur $575,000 of exploration expenditures on or before January 31, 2026.

Pursuant to the agreement, upon exercise of the option, the Company will assign a 2% Net Smelter Returns Royalty ("NSR") to South Shore.

The Company also paid $17,500 in cash as finder fees to a third-party consultant to identify and then close the option agreement of First Green Lithium. The amount was recorded as the cost of acquisition.

Cerro Minas Project, Oaxaca, Mexico

On October 16, 2019, the Company entered into an Option Agreement with Gunpoint Exploration Ltd. ("Gunpoint") and Gunpoint's subsidiary, Minera CJ Gold S.A. de C.V. ("CJ Gold"), whereby the Company, through its subsidiary, Minera Mazateca, may acquire a 100% interest in the Cerro Minas mineral concession located in the state of Oaxaca, Mexico (the "Property"). The Company has earned the 100% interest in the Property by paying Gunpoint US$100,000 and issuing 800,000 common shares.

Gunpoint shall retain a 1.5% NSR on the Property, of which the Company may purchase, at any time, 0.5% for US$1,000,000.

9. AMOUNTS PAYABLE AND ACCRUED LIABILITIES

		November 30, 2024		February 29, 2024
Accounts payable	**$**	**231,570**	$	133,804
Accrued liabilities		**17,372**		56,247
	$	**248,942**	$	190,051

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

10. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issuance (return) of share capital

During the nine months ended November 30, 2024:

i) closed a non-brokered private placement of 15,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $305,000. Each unit includes one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of $0.05 per common share.

During the year ended February 29, 2024:

i) pursuant to the amended option agreement with respect to the First Green Lithium project, the Company issued 1,650,000 common shares valued at $41,250.

ii) pursuant to the option agreement with respect to the First Green Lithium project, the Company issued 750,000 common shares valued at $45,000.

iii) 6,000,000 shares with a fair value of $150,000 were returned to treasury as a result of the Court Order described in Note 16.

Share options

The Company adopted a share option plan (the “Share Option Plan”) under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a twelve-month period is limited to 5% of the issued shares of the Company. Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

For share options granted to employees, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

A summary of share options outstanding as at November 30, 2024 and February 29, 2024 is as follows:

	Number of options outstanding and exercisable		Weighted average exercise price	Weighted average number of years to expiry
Balance, February 28, 2023	**3,594,000**	**$**	**0.08**	**2.48**
Expired	(444,000)		0.11	-
Balance, February 29, 2024	**3,150,000**		**0.08**	**1.78**
Expired/forfeited	(275,000)		0.08	
Balance, November 30, 2024	**2,875,000***	**$**	**0.08**	**1.02**

* Expire December 9, 2025

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

10. SHARE CAPITAL (continued)

Share options (continued)

During the nine months ended November 30, 2024

There was no share-based payment expense during the period ended November 30, 2024.

During the period ended November 30, 2024, a total of 275,000 stock options, which had an exercise price of $0.08, expired without being exercised. The corresponding value of $11,658 was transferred from share-based payments reserve to deficit.

During the year ended February 29, 2024

There was no share-based payment expense during the year ended February 29, 2024.

During the year ended February 29, 2024, a total of 444,000 stock options, which had an exercise price of $0.11, expired without being exercised. The corresponding value of $33,520 was transferred from share-based payments reserve to deficit.

Warrants

A summary of changes in warrants outstanding as at November 30, 2024 and February 29, 2024 is as follows:

	Warrants outstanding		Weighted average exercise price	Weighted average number of years to expiry
Balance, February 28, 2023 and February 29, 2024	**4,835,000**	**$**	**0.08**	**0.58**
Warrants expired September 26, 2024	(4,835,000)		0.08	-
Warrants issued – expiring May 16, 2026	7,625,000		0.05	-
Balance, November 30, 2024	**7,625,000**	**$**	**0.05**	**1.45**

11. CAPITAL DISCLOSURE

The Company considers its capital structure to include the net residual equity of all assets, less liabilities. Capital comprises the Company's shareholders' equity and any issued debt. The Company's objectives when managing capital are to (i) maintain sufficient working capital to meet current financial obligations and continue as a going concern; (ii) maintain a capital structure to allow the Company to raise equity funding to finance its capital expenditures and acquisition activities; (iii) maintain creditworthiness and maximize returns for shareholders over the long term.

The Company manages its capital structure and makes adjustments to it in light of changes in economic circumstances. The capital was mostly from proceeds from the issuance of common shares.

The Company is not subject to externally imposed capital restrictions nor were there any changes to the Company's capital management provisions during the period.

12. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value measurements is required. The three levels of the fair value hierarchy are as follows:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's marketable securities are valued using quoted market prices in active markets for identical assets, and therefore are classified as Level 1.

The fair value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and due to related parties approximates their carrying values due to their short term to maturity.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Financial instrument risks

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at November 30, 2024, the Company has working capital of $1,665,330 (February 29, 2024 – working capital deficiency of $47,155). The payment terms for accounts payable are generally 30 days or due on receipt.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company's marketable securities bear market price risk. The maximum exposure to this risk is equal to the carrying value of the investment.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company has no significant interest rate risk. As of November 30, 2024, the Company had a cash and cash equivalents balance of $1,855,105 of which $11,250 was in a term deposit, earning interest at a rate of 3% per annum. The Company had no interest-bearing debt.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to any significant foreign currency fluctuations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, cash equivalents and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions.

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

13. RELATED PARTY TRANSACTIONS

During the period ended November 30, 2024, the Company entered into the following transactions with related parties:

	Nine Month Period Ended November 30, 2024	Nine Month Period Ended November 30, 2023
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management fees – CEO	**$ 36,000**	$ 36,000
Management fees – CFO	**17,500**	-
Management fees – former CFO	**-**	36,000
Consulting fees – corporate secretary	**22,500**	22,500
Professional fees – CFO's partnership	**17,500**	-
Professional fees – company controlled by the former CFO	**4,057**	22,542
	$ 97,557	$ 117,042

The following amounts due to related parties are due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

	Due to related parties	
	As at November 30, 2024	As at February 29, 2024
Company controlled by the CEO	**$ 4,200**	$ 8,400
Company controlled by the corporate secretary	**2,625**	1,084
	$ 6,825	$ 9,484

14. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine-months ended November 30, 2024, and the year ended February 29, 2024, the Company incurred non-cash financing and investing activities as follows:

	Nine months ended November 30, 2024	Year ended February 29, 2024
Exploration expenditures in accounts payable	**$ -**	$ 3,018
Fair value of stock options expired	**11,658**	33,520
Shares issued for exploration and evaluations assets	**-**	86,250

During the period ended November 30, 2024, cash paid for interest was $Nil (2023 - $Nil) and cash paid for tax was $Nil (2023 - $Nil).

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

15. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of mineral properties. Geographical information is as follows:

	Canada	Mexico	Total
Balance, as at November 30, 2024			
Exploration and evaluation assets	$ 276,258	$ -	$ 276,258
Balance, as at February 29, 2024			
Exploration and evaluation assets	$ 231,765	$ -	$ 231,765

16. COURT ORDER

During the year ended February 28, 2023, the Company filed a Notice of Civil Claim in the Supreme Court of British Columbia (“the Court”) against the optionors of the Rama de Oro, Yautepec and Magdalena properties in Mexico seeking to enforce the Company’s rights under the option agreements, including specific performance of option agreements, damages, costs, and other relief. The claim was based on the Company's belief that it was in compliance with the terms of the agreements, despite receiving written notices of termination due to lack of work expenditure within the specified option periods.

Subsequently, the Company filed a Notice of Application in the Supreme Court of British Columbia seeking an order for damages for breach of contract and misrepresentation rather than for specific performance of the option agreement, as well as for the cost of the Application and pre-judgment interest.

During the year ended February 29, 2024, the Company received a Court Order issuing a judgment against the optionors, as requested in the Application. The 6,000,000 shares of the Company issued under the option agreements were returned to treasury. The shares had a fair value of $150,000 and were recorded as a recovery.

During the period ended November 30, 2024, the Company collected approximately $1.7 million cash which, along with the 6,000,000 shares returned to treasury in fiscal 2024, represents the full satisfaction of amounts awarded by the Court.