

**FIRST CANADIAN GRAPHITE INC.**  
**(formerly GREEN BATTERY MINERALS INC.)**

(An Exploration Stage Company)

Consolidated Audited Financial Statements

Years Ended February 28, 2025 and February 29, 2024

(Expressed in Canadian dollars)

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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF FIRST CANADIAN GRAPHITE INC. (FORMERLY GREEN BATTERY MINERALS INC.)

#### *Opinion*

We have audited the consolidated financial statements of First Canadian Graphite Inc. (formerly Green Battery Minerals Inc.) and its subsidiaries (the "Company"), which comprise:

- ♦ the consolidated statements of financial position as at February 28, 2025 and February 29, 2024;
- ♦ the consolidated statements of loss and comprehensive loss for the years then ended;
- ♦ the consolidated statements of changes in shareholders' equity for the years then ended;
- ♦ the consolidated statements of cash flows for the years then ended; and
- ♦ the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 28, 2025 and February 29, 2024, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

#### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the consolidated financial statements, which indicates that as of February 28, 2025, the Company reported a net loss of \$1,915,478, had an accumulated deficit of \$45,113,084, and a working capital deficiency of \$569,319. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended February 28, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

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### *Other Information*

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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The engagement partner on the audit resulting in this independent auditor's report is Michelle Chi Wai So.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia

June 20, 2025

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**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

<b>As at</b>	<b>February 28, 2025</b>	<b>February 29, 2024</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 293,468	\$ 240,175
Accounts receivable	29,413	7,567
Exploration advances	22,000	-
Prepaid expenses	15,875	13,866
	<b>360,756</b>	<b>261,608</b>
<b>Furniture and equipment</b> (Note 4)	<b>2,797</b>	<b>6,566</b>
<b>Mineral property interests</b> (Note 5)	<b>1,213,516</b>	<b>1,798,515</b>
	<b>\$ 1,577,069</b>	<b>\$ 2,066,689</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 534,567	\$ 131,041
Due to related parties (Note 6)	395,508	203,216
Flow through share liability (Note 13)	-	25,573
	<b>930,075</b>	<b>359,830</b>
<b>Shareholders' equity</b>		
Share capital (Note 7)	40,422,263	39,599,196
Contributed surplus (Note 8)	5,337,815	5,305,269
Deficit	(45,113,084)	(43,197,606)
	<b>646,994</b>	<b>1,706,859</b>
	<b>\$ 1,577,069</b>	<b>\$ 2,066,689</b>

These consolidated financial statements were approved by the Board of Directors on June 20, 2025.

***“Thomas Yingling”***  
 Director – Thomas Yingling

***“Binny Jassal”***  
 Director – Binny Jassal

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

<b>Years Ended</b>	<b>February 28, 2025</b>	<b>February 29, 2024</b>
<b>Expenses</b>		
Amortization (Note 4)	\$ 3,769	\$ 2,190
Consulting fees (Note 6)	359,819	424,202
Exploration and evaluation (Notes 5 and 6)	544,093	438,710
Investor relation	-	50,685
Office and administration	31,361	41,064
Promotional and marketing	63,153	132,642
Part XII.6 tax (Note 13)	22,001	4,216
Professional fees (Note 6)	153,898	223,327
Stock-based compensation (Notes 6 and 7)	114,113	209,629
Travel	12,948	76,690
Trade shows and events	3,296	54,368
Transfer agent and filing fees	66,180	69,337
	<b>1,374,631</b>	<b>1,727,060</b>
<b>Other Items</b>		
Impairment of resource property (Note 5)	584,999	57,194
Write-off of accounts payable	(18,579)	-
Flow-through share liability recovery (Note 13)	(25,573)	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 1,915,478</b>	<b>\$ 1,784,254</b>
<b>Loss per common share – basic and diluted</b>	<b>\$ (0.18)</b>	<b>\$ (0.22)</b>
<b>Weighted average number of common shares outstanding</b>	<b>10,839,742</b>	<b>8,166,136</b>

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

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**

	Number of Shares	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
<b>Balance, February 29, 2024</b>	<b>8,858,838</b>	<b>39,599,196</b>	<b>5,305,269</b>	<b>(43,197,606)</b>	<b>1,706,859</b>
Shares issued pursuant to exercise of RSU	100,000	90,000	(90,000)	-	-
Private placements – net of share issuance costs	11,588,603	741,500	-	-	741,500
Fair value of brokers warrants issued	-	(8,433)	8,433	-	-
Stock-based compensation	-	-	114,113	-	114,113
Net loss for the year	-	-	-	(1,915,478)	(1,915,478)
<b>Balance, February 28, 2025</b>	<b>20,547,441</b>	<b>40,422,263</b>	<b>5,337,815</b>	<b>(45,113,084)</b>	<b>646,994</b>
Balance, February 28, 2023	7,489,603	38,937,828	4,906,446	(41,413,352)	2,430,922
Private placements – net of share issuance costs	1,369,235	820,357	-	-	820,357
Value assigned to warrants	-	(106,951)	106,951	-	-
Value assigned to flow through share liability	-	(25,573)	-	-	(25,573)
Stock-based compensation	-	-	209,629	-	209,629
Fair value of brokers warrants issued	-	(26,465)	26,465	-	-
Fair value of warrants issued pursuant to property acquisition	-	-	55,778	-	55,778
Net loss for the year	-	-	-	(1,784,254)	(1,784,254)
<b>Balance, February 29, 2024</b>	<b>8,858,838</b>	<b>39,599,196</b>	<b>5,305,269</b>	<b>(43,197,606)</b>	<b>1,706,859</b>

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



**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	February 28, 2025	February 29, 2024
<b>Cash flows from (used in)</b>		
<b>Operating activities</b>		
Net loss for the year	\$ (1,915,478)	\$ (1,784,254)
Items not affecting cash:		
Amortization	3,769	2,190
Stock-based compensation	114,113	209,629
Impairment of resource property	584,999	57,194
Write-off of accounts payable	(18,579)	-
Flow-through share liability recovery	(25,573)	-
	<u>(1,256,749)</u>	<u>(1,515,241)</u>
<b>Changes in non-cash working capital items:</b>		
Accounts receivable	(21,846)	1,873
Exploration advances	(22,000)	-
Prepaid expenses	(2,009)	29,853
Accounts payable and accrued liabilities	422,105	72,897
Due to related parties	192,292	92,482
	<u>(688,207)</u>	<u>(1,318,136)</u>
<b>Investing activity</b>		
Mineral property interests	-	(50,000)
	<u>-</u>	<u>(50,000)</u>
<b>Financing activities</b>		
Common shares	774,685	899,665
Shares issuance costs	(33,185)	(79,308)
	<u>741,500</u>	<u>820,357</u>
<b>Change in cash during the year</b>	<b>53,293</b>	<b>(547,779)</b>
<b>Cash, beginning of the year</b>	<b>240,175</b>	<b>787,954</b>
<b>Cash, end of the year</b>	<b>\$ 293,468</b>	<b>\$ 240,175</b>

Supplemental disclosure with respect to cash flows (Note 11)

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Notes to the Consolidated Financial Statements**  
**Years ended February 28, 2025 and February 29, 2024**  
**(Expressed in Canadian Dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

First Canadian Graphite Inc. (formerly Green Battery Minerals Inc.) (the “Company”) was incorporated under the laws of British Columbia on January 15, 1979 and its principal business activities include the exploration and development of natural resource properties. The Company is publicly listed on the TSX Venture Exchange (the “Exchange”) under the symbol “FCI”. The Company’s corporate office and principal place of business is at 1100 – 1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

On October 17, 2024, the Company consolidated its common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidated common shares. All the outstanding shares, warrants and options have been adjusted accordingly.

On April 29, 2025, the Company announced that the board of directors have approved a change of the Company’s name to “First Canadian Graphite Inc.”, subject to acceptance of the TSX Venture Exchange. On June 18, 2025, the Company received TSX approval to change its name from “Green Battery Minerals Inc.” to “First Canadian Graphite Inc.”, and effective June 20, 2025, the Company’s common shares will commence trading under a new symbol FCI.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred ongoing losses since inception. As of February 28, 2025, the Company reported a net loss of \$1,915,478 (February 29, 2024 - \$1,784,254), had an accumulated deficit of \$45,113,084 (February 29, 2024 - \$43,197,606), and a working capital deficiency of \$569,319 (February 29, 2024 - \$98,222) .

The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration and development of its mineral property interests, is dependent on the Company’s ability to obtain the necessary financing. Management is currently assessing alternatives to raising additional funding, which includes additional equity offerings or alternatively to dispose of its interests in certain mineral properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management will be required to curtail the Company’s operations.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral property interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral property interests. The carrying value of the Company’s mineral property interests may not reflect current or future values.

The above indicate material uncertainties that raise significant doubt about the Company’s ability to be able to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Notes to the Consolidated Financial Statements**  
**Years ended February 28, 2025 and February 29, 2024**  
**(Expressed in Canadian Dollars)**

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**2. BASIS OF PREPARATION**

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

(b) Basis of measurement

These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries. These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value, and uses the accrual basis of accounting, except for cash flow information.

The material accounting policies set out in Note 3 have been applied consistently by the Company and its subsidiaries for all periods presented.

**3. MATERIAL ACCOUNTING POLICIES**

The following is a summary of material accounting policies used in the preparation of these consolidated financial statements.

(a) Basis of consolidation

The consolidated financial statements of the Company include its wholly owned subsidiaries, Berkwood Resources PTE. Ltd., incorporated in Singapore, and 1215616 B.C. Ltd., incorporated in Canada. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns, and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated upon consolidation.

(b) Mineral property interests

Acquisition costs for mineral property interests, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model.

Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

When there is little prospect of further work on a property being carried out by the Company, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount. Acquisition costs are also tested for impairment before the assets are transferred to development properties. The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Mineral property interests acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment.

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Notes to the Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(b) Mineral property interests (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures, which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized, with any excess cash recognized in profit or loss.

(c) Impairment of non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there are any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets (the CGU), where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use) to which the assets belong.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in profit or loss for the period, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(d) Mining exploration tax credit

The Company recognizes mining exploration tax recoveries in the period in which the related recoveries are received. The amount recoverable is subject to review and approval by the taxation authorities.

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Notes to the Consolidated Financial Statements**  
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**(Expressed in Canadian Dollars)**

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(e) Financial instruments

**Financial assets**

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

*Financial assets measured at amortized cost*

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

*Financial assets measured at fair value through other comprehensive income ("FVTOCI")*

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

*Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company's cash is classified as FVTPL.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

**FIRST CANADIAN GRAPHITE INC. (formerly GREEN BATTERY MINERALS INC.)**  
**Notes to the Consolidated Financial Statements**  
**Years ended February 28, 2025 and February 29, 2024**  
**(Expressed in Canadian Dollars)**

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(e) Financial instruments (continued)

**Financial liabilities**

(i) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(ii) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

*Financial liabilities measured at amortized cost*

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. Accounts payable and accrued liabilities and amounts due to related parties are classified as measured at amortized cost.

*Financial liabilities measured at fair value through profit or loss*

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(iii) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Fair value hierarchy**

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(f) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

At the time of closing a flow-through shares financing, the Company allocates proceeds received first to share capital based on the market close price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through share liability. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the market close price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium liability – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are charged to operations and the flow-through share liability, if any, is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule that remains unspent, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(g) Non-monetary transactions

Equity instruments issued for consideration other than cash are valued at the fair value of assets received or services rendered or the estimated fair value of the equity instruments at the date of issuance, whichever is determined to be the more reliable measure.

(h) Accounting for equity units

The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market close price on the date the units are priced and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds.

(i) Stock-based compensation

Stock-based compensation to employees is measured at the fair value of the equity instruments issued and amortized over the vesting periods. Stock-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(i) Stock-based compensation (continued)

The fair value of options is determined using the Black-Scholes option pricing model, which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company has established a restricted share plan under which restricted share units (“RSUs”) are granted to eligible directors, employees, and consultants of the Company. The RSUs are considered equity-settled and are measured using the quoted market price of the Company’s common shares at the grant date and recognized as share-based compensation over the vesting period, with a corresponding amount recognized as equity.

(j) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Basic and diluted loss per share is the same for the years presented.

(k) Use of judgments and estimates

Apart from making estimates and assumptions as described below, the Company’s management makes critical judgments in the process of applying its accounting policies that have significant effect on the amounts recognized in the Company’s consolidated financial statements. The significant judgments that the Company’s management has made in the process of applying the Company’s accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

(i) Indicators of impairment of mineral property interests

Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s mineral property interests. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities, and existing permits.

(ii) Mining exploration tax credits and eligibility of flow through expenditures

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management’s judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company’s required expenditures not being fulfilled.



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**3. MATERIAL ACCOUNTING POLICIES (continued)**

(k) Use of judgments and estimates (continued)

(iii) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant areas requiring the use of management estimates include:

(i) Assumptions in the Black-Scholes option pricing model

The fair values of warrants and options granted are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of future share prices, changes in subjective input assumptions can materially affect the fair value estimate.

(ii) Recoverable value of mineral property interests

The carrying value and recoverability of mineral property interests require management to make certain estimates, judgments, and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts and overall economic viability of the project. Management has assessed these indicators and recognized an impairment provision for the Jupiter Project and Stallion Project in the current year and the Boudrias Project in the prior year (Note 5).

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact financial performance and cash flows.

**4. FURNITURE AND EQUIPMENT**

	Furniture (\$)	Field Equipment (\$)	Total (\$)
<b>Cost</b>			
<b>Balance at February 28, 2023, February 29, 2024, and February 28, 2025</b>	11,739	30,704	42,443
<b>Accumulated amortization</b>			
<b>Balance at February 28, 2023</b>	7,369	26,318	33,687
Addition	874	1,316	2,190
<b>Balance at February 29, 2024</b>	8,243	27,634	35,877
Addition	699	3,070	3,769
<b>Balance at February 28, 2025</b>	8,942	30,704	39,646
<b>Carrying amounts</b>			
At February 29, 2024	3,496	3,070	6,566
<b>At February 28, 2025</b>	<b>2,797</b>	-	<b>2,797</b>

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**5. MINERAL PROPERTY INTERESTS**

The Company has capitalized the following acquisition expenditures during the years ended February 28, 2025 and February 29, 2024:

	Berkwood Graphite Project, Quebec \$	Stallion Project BC \$	Boudrias Project Quebec \$	Jupiter Project Quebec \$	Total \$
<b>Balance, February 28, 2023</b>	1,157,737	535,000	57,194	-	1,749,931
Property acquisition	55,778	-	-	50,000	105,778
Impairment of resource property	-	-	(57,194)	-	(57,194)
<b>Balance, February 29, 2024</b>	1,213,515	535,000	-	50,000	1,798,515
Impairment of resource property	-	(534,999)	-	(50,000)	(584,999)
<b>Balance, February 28, 2025</b>	1,213,515	1	-	-	1,213,516

The Company has expensed the following exploration and evaluation expenditures during the year ended February 28, 2025:

	Berkwood Graphite Project, Quebec \$	Stallion \$	Total \$
Geological consulting (Note 6)	238,653	-	238,653
Field and camp costs	135,339	2,500	137,839
Travel	94,599	-	94,599
Mobility/Demobilize	25,074	-	25,074
Assays and lab	28,000	-	28,000
Freight	7,513	-	7,513
Claims renewal	34,678	-	34,678
Others	5,636	-	5,636
Mining tax credit	(27,899)	-	(27,899)
<b>Total</b>	<b>541,593</b>	<b>2,500</b>	<b>544,093</b>

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**5. MINERAL PROPERTY INTERESTS (continued)**

The Company has expensed the following exploration and evaluation expenditures during the year ended February 29, 2024:

	Berkwood Graphite Project, Quebec \$	Jupiter \$	Stallion \$	Boudrias \$	Total \$
Geological consulting (Note 6)	167,579	31,835	26,208	600	226,222
Field and camp costs	53,203	1,862	276	-	55,341
Travel	5,825	63,201	500	-	69,526
Assays and lab	60,813	15,879	1,094	-	77,786
Freight	-	-	413	-	413
Equipment rental	-	-	390	-	390
Others	9,032	-	-	-	9,032
<b>Total</b>	<b>296,452</b>	<b>112,777</b>	<b>28,881</b>	<b>600</b>	<b>438,710</b>

**(a) Berkwood Graphite Project (previously named Lac Gueret South Property), Quebec**

The Company entered into an option agreement dated July 26, 2014 to acquire a 100% interest in the Lac Gueret South Property. The agreement was approved by the Exchange on August 13, 2014.

Under the terms of the option agreement, the Company may acquire a 100% interest in the Lac Gueret South graphite property by making cash payments and issuing the Company's securities as set forth below:

- (i) On signing of the option agreement: \$15,000 (paid);
- (ii) Within seven days of the date of approval of the agreement by the Exchange: \$10,000 (paid) and 3,750 units (issued). Each unit comprised one common share and one common share purchase warrant, exercisable for 24 months at \$4.00 to acquire an additional common share;
- (iii) Within thirty days of the date of approval of the agreement by the Exchange: \$10,000 (paid);
- (iv) Within six months of the date of approval of the agreement by the Exchange: \$25,000 (amended to be due July 29, 2016) (paid); and
- (v) Within 12 months of the date of approval of the agreement by the Exchange: \$25,000 (amended to be due January 29, 2017) (paid).

A 2% net smelter return ("NSR") is payable to the optionors on all minerals produced from the property. The Company has the right at any time to buy back 2% of the NSR from the optionors for \$1,000,000. During the year ended February 28, 2018, the Company expanded its Lac Gueret Extensions project (South & East blocks).

The Company acquired more claims adjacent to and on-trend with Mason Graphite. The Company paid \$25,000 and issued 6,250 common shares of the Company fair valued at \$56,250.

During the year ended February 28, 2018, the Company issued 15,750 common shares by way of a share exchange agreement fair valued at \$220,500 and paid \$15,000 to an arm's-length party. There are no royalties payable and the Company owns 100% of the Turkey Lake property.

During the year ended February 28, 2019, the Company entered into an agreement with 1137794 B.C. Ltd. to acquire fifty-eight (58) claims located adjacent to Lac Gueret South Property. The Company has issued 70,000 common shares by way of a share exchange agreement fair valued at \$392,000 and paid \$20,000 to an arm's-length party. There are no royalties payable and the Company increased its landholding at the Company's 100% owned Lac Gueret Project.

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**5. MINERAL PROPERTY INTERESTS (continued)**

**(a) Berkwood Graphite Project (previously named Lac Gueret South Property), Quebec (continued)**

On October 30, 2018, the Company signed an agreement with Progressive Planet Solutions Inc. (PLAN-TSX:V) ("Progressive Planet"). The terms of the agreement allow Progressive Planet to earn a 5% interest to the Lac Gueret South Graphite property in exchange for expenditure of \$250,000 on the project by December 31, 2018. During a period of six months, either party will have the right to execute a buy-back scenario in which the Company would purchase the 5% back by issuing to Progressive Planet 43,750 units in the Company. Each unit will entitle Progressive Planet to receive one share, and one-half warrant of the Company, which at the time of signing this agreement constitutes 5% of the issued and outstanding shares of the Company. This transaction has been approved by the Exchange.

On January 29, 2019, the Company bought back the 5% interest from Progressive Planet by issuing 43,750 common shares of the Company fair valued at \$140,000 and 87,500 warrants fair valued at \$20,800 using Black-Scholes with the following assumptions: risk free interest rate – 1.91%, experienced life of warrants – 2 years, annualized volatility – 91.59%, and dividend rate – 0%. Each warrant is exercisable at a price of \$1.50 per share for a period of two years from the date of closing.

During the year ended February 28, 2019, the Company signed an agreement with Intact Gold Corp. (ITG-TSX:V) ("Intact"). The terms of the agreement allow Intact to earn a 2.5% interest to the Lac Gueret South Graphite property in exchange for expenditure of \$125,000 on the project by December 31, 2018. During a period of six months, either party will have the right to execute a buy-back scenario in which the Company would purchase the 2.5% back by issuing to Intact 2,187 units in the Company. Each unit will entitle Intact to receive one share, and one-half warrant of the Company.

On April 18, 2019, the Company bought back the 2.5% interest from Intact by issuing 2,187 common shares of the Company fair valued at \$52,500 and 4,375 warrants fair valued at \$5,179 using Black Scholes with the following assumptions: risk free interest rate – 1.75%, experienced life of warrants – 2 years, annualized volatility – 79.55%, and dividend rate – 0%. Each warrant is exercisable at a price of \$6.00 per share for a period of two years from the date of closing.

On August 7, 2019, the Company entered into an agreement to acquire 1215616 B.C. Ltd., a private British Columbia company, which sole asset is fifty-eight (58) claims located adjacent to Lac Gueret South Property. The Company has issued 48,750 common shares by way of a share exchange agreement fair valued at \$68,250 and paid \$11,500 to an arm's-length party. The sole asset of 1215616 B.C. Ltd. was the fifty-eight claims located adjacent to the Lac Gueret South Property. For accounting purposes, the acquisition has been recorded as an asset acquisition as 1215616 B.C. Ltd. did not meet the definition of a business, as defined in IFRS 3 *Business Combinations* ("IFRS 3").

On January 27, 2023, the Company entered into an agreement to acquire from Contigo Resources Ltd., seven (7) claims located adjacent to Lac Gueret South Property. The Company paid \$5,728 to an arm's-length party.

On February 8, 2023, the Company entered into an agreement to acquire from arm's length parties, twenty-two (22) claims located adjacent to Lac Gueret South Property. The Company has issued 58,700 warrants by way of a share exchange agreement and paid \$3,520 to an arm's-length party. The warrants have a fair value of \$34,869 based on the Black-Scholes option pricing model using the following assumptions: a risk-free interest rate of 3.76%, an expected life of 3 years, an annualized volatility of 105.73%, and a dividend yield of 0%.

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**5. MINERAL PROPERTY INTERESTS (continued)**

**(a) Berkwood Graphite Project (previously named Lac Gueret South Property), Quebec (continued)**

On February 23, 2023, the Company entered into an agreement to acquire from arms-length parties, thirty (30) claims located adjacent to Lac Gueret South Property. The Company has issued 61,300 warrants by way of a share exchange agreement to an arm's-length party. The warrants have a fair value of \$20,908 based on the Black-Scholes option pricing model using the following assumptions: a risk-free interest rate of 4.12%, an expected life of 3 years, an annualized volatility of 102.030%, and a dividend yield of 0%.

**(b) Stallion Gold Project, British Columbia**

On October 27, 2020, the Company entered into a definitive agreement to acquire mineral claims in British Columbia's Golden Horseshoe region.

During the year ended February 28, 2021, the Company acquired all of the issued and outstanding shares of Bench Minerals Corp. ("Bench") by the issuance of 400,000 common shares (issued) of the Company with a fair value of \$520,000 and \$15,000 cash (paid) in consideration for the acquisition. The sole asset of Bench was the Stallion Gold Project claim. For accounting purposes, the acquisition has been recorded as an asset acquisition as Bench did not meet the definition of a business, as defined in IFRS 3. Bench was subsequently dissolved in August 2021.

During the year ended February 28, 2025, the Company did not renew a claim. Indicators of impairment existed leading to test of recoverable amount, which resulted in the recognition of an impairment loss of \$534,999 in accordance with Level 3 of the fair value hierarchy. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$nil.

**(c) Boudrias Project, Quebec**

On November 2, 2022, the Company acquired the "Boudrias Property" located northeast of Baie Comeau, Quebec. The Boudrias Property was acquired to explore for Nickel, Copper and Cobalt. The property comprises a total of seven Quebec mineral exploration claims which amount to a total of 392.1 hectares.

As per the property agreement, the Company issued to the arm's length property vendor 200,000 warrants fair valued at \$57,194 using Black Scholes with the following assumptions: risk free interest rate – 3.84%, experienced life of warrants – 3 years, annualized volatility – 94.35%, and dividend rate – 0%. Each warrant is exercisable at the price of \$0.06 per warrant for three years from the closing date.

During the year ended February 29, 2024, management decided not to pursue this project. Indicators of impairment existed leading to test of recoverable amount, which resulted in the recognition of an impairment loss of \$57,194 in accordance with Level 3 of the fair value hierarchy. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$nil.

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**5. MINERAL PROPERTY INTERESTS (continued)**

**(d) Jupiter Project, Quebec**

On May 3, 2023, the Company entered into an option agreement to acquire from Contigo Resources Ltd., one hundred twenty-two (122) claims located in Quebec.

Under the terms of the option agreement, the Company may acquire a 100% interest in the lithium property as per terms as set forth below:

- (i) Cash payment of \$50,000 upon approval by the Exchange (paid);
- (ii) Minimum expenditure of \$100,000 to be incurred by December 31, 2023 (incurred);
- (iii) Minimum expenditure of \$500,000 to be incurred by October 31, 2024;
- (iv) Cash payment of \$250,000 by October 31, 2024.

A 2% NSR is payable to the optionors on all minerals produced from the property. The royalty will be reduced from 2.0% to 1.0% at any time prior to commencement of commercial production upon payment by optionee to the optionors of \$1,500,000.

During the year ended February 28, 2025, management decided not to pursue this project. Indicators of impairment existed leading to test of recoverable amount, which resulted in the recognition of an impairment loss of \$50,000 in accordance with Level 3 of the fair value hierarchy. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the property at this stage of operations. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$nil.

Subsequent to the year ended February 28, 2025, the Company made a cash settlement of \$20,000 to Contigo Resources Ltd. as part of the settlement and release agreement for the Jupiter Project.

**(e) Realization**

The Company's investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production, or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interest is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

**a. Title**

Although the Company has taken steps to ensure the title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**b. Environmental**

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral property interest, the potential for production on the property may be diminished or negated.

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**6. RELATED PARTY TRANSACTIONS**

- (a) During the year ended February 28, 2025, the Company incurred consulting fees of \$210,000 (February 29, 2024 - \$232,000) with directors and companies controlled by the directors.

As at February 28, 2025, \$301,438 (February 29, 2024 - \$203,216) was owed to directors and companies controlled by the directors. The amounts are non-interest bearing and there are no specified terms of repayment.

- (b) During the year ended February 28, 2025, the Company incurred professional fees for financial services of \$80,000 (February 29, 2024 - \$111,000) with an officer and director of the Company.

- (c) During the year ended February 28, 2025, the Company incurred exploration consulting fees of \$7,918 (February 29, 2024 - \$30,965) with directors and companies controlled by the directors.

- (d) During the year ended February 28, 2025, the Company incurred consulting fees of \$72,600 (February 29, 2024 - \$84,000) with close family members of a director.

As at February 28, 2025, \$94,070 (February 29, 2024 - \$42,700) was owed to close family members of a director. The amounts are non-interest bearing and there are no specified terms of repayment.

The transactions above are in the normal course of operations.

**Key Management Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. Compensation paid to key management included the amounts above as follows:

	<b>February 28, 2025</b>	February 29, 2024
	<b>\$</b>	<b>\$</b>
Consulting fees	210,000	232,000
Consulting fees exploration	7,918	30,965
Consulting (close family members)	72,600	84,000
Professional fees	80,000	111,000
Stock-based compensation	75,170	128,351

**7. SHARE CAPITAL**

- (a) **Authorized**

Unlimited common shares without par value. All shares issued are fully paid.

- (b) **Issued**

Shares issued during the year ended February 28, 2025:

On March 7, 2024, the Company issued 100,000 shares pursuant to exercise of Restricted Shares Units ("RSUs").

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**7. SHARE CAPITAL (continued)**

**(b) Issued (continued)**

On December 11, 2024, the Company closed a private placement of 7,303,460 non-flow-through units at a price of \$0.065 per non-flow-through unit for gross proceeds of \$474,725. Each non-flow-through unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.10 per share for a period of three years from the date of closing. The Company paid cash finders fees of \$15,280, issued 173,846 broker warrants with a fair value of \$8,433 and paid legal fees of \$7,250.

On February 5, 2025, the Company closed a private placement of 4,285,143 non-flow-through units at a price of \$0.07 per non-flow-through unit for gross proceeds of \$299,960. Each non-flow-through unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable at a price of \$0.10 per share for a period of two years from the date of closing. The Company paid cash finders fees of \$2,730 and paid legal fees of \$7,925.

Shares issued during the year ended February 29, 2024:

On July 25, 2023, the Company closed a flow-through private placement of 785,735 units at a price \$0.70 per unit for gross proceeds of \$550,015. Each unit consists of one common share and half common share purchase warrant exercisable at \$1.00 for a period of three years. The Company has paid cash commissions of \$44,001, issued 62,858 broker warrants with a fair value of \$20,654, and paid legal fees of \$9,150. The finder fee warrants have the same terms as the common share purchase warrants. On issuance, the Company bifurcated the flow-through units into i) share capital of \$471,441; ii) warrants of \$78,574; and iii) \$nil flow-through share liability.

On September 6, 2023, the Company closed a private placement of 294,000 non-flow-through units at a price of \$0.50 per non-flow-through unit for gross proceeds of \$147,000. Each non-flow-through unit is comprised of one common share and one common share purchase warrant. Each whole warrant is exercisable at a price of \$1.00 per share for a period of three years from the date of closing. The Company paid legal fees of \$16,000. On issuance, the Company recognized \$147,000 into share capital and \$nil to warrants.

On September 7, 2023, the Company closed a second tranche of private placement of 39,500 flow-through units at a price of \$0.70 per flow-through unit for gross proceeds of \$27,650. Each flow-through unit is comprised of one common share and one-half common share purchase warrant. Each whole warrant is exercisable at a price of \$1.00 per share for a period of three years from the date of closing. On issuance, the Company bifurcated the flow-through units into i) share capital of \$23,700; ii) warrants of \$3,950; and iii) \$nil flow-through share liability.

On December 29, 2023, the Company closed a flow-through private placement of 250,000 units at a price \$0.70 per unit for gross proceeds of \$175,000. Each unit consists of one common share and half common share purchase warrant exercisable at \$1.00 for a period of three years. The Company has paid cash commissions of \$7,000, issued 25,000 broker warrants with a fair value of \$5,811, and paid legal fees of \$3,157. On issuance, the Company bifurcated the flow-through units into i) share capital of \$125,000; ii) warrants of \$24,427; and iii) \$25,573 flow-through share liability.

The finder fee warrants have the same terms as the common share purchase warrants.



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**7. SHARE CAPITAL (continued)**

**(c) Share purchase warrants**

A summary of the Company's issued and outstanding share purchase warrants as at February 28, 2025 and February 29, 2024 and changes during those years are presented below:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, February 28, 2023	2,819,513	\$2.80
Granted	1,039,477	\$1.00
Expired	(2,059,513)	\$3.80
Balance, February 29, 2024	<b>1,799,477</b>	<b>\$0.90</b>
Granted	11,762,449	\$0.10
Expired	(560,000)	\$0.80
<b>Balance, February 28, 2025</b>	<b>13,001,926</b>	<b>\$0.18</b>

At February 28, 2025, the following warrants were outstanding and exercisable:

Number of shares	Exercise Price \$	Expiry Date	Weighted Average Remaining Contractual Life
200,000	\$0.60	November 22, 2025	0.73 years
58,700	\$0.90	March 3, 2026	1.01 years
455,727	\$1.00	July 25, 2026	1.40 years
61,300	\$0.90	July 27, 2026	1.41 years
294,000	\$1.00	September 6, 2026	1.52 years
19,750	\$1.00	September 7, 2026	1.52 years
125,000	\$1.00	December 29, 2026	1.83 years
25,000	\$0.70	December 29, 2026	1.83 years
7,477,306	\$0.10	December 11, 2027	2.78 years
4,285,143	\$0.10	February 5, 2027	1.94 years
<b>13,001,926</b>			<b>2.37 years</b>

At February 29, 2024, the following warrants were outstanding and exercisable:

Number of shares	Exercise Price \$	Expiry Date	Weighted Average Remaining Contractual Life
200,000	\$0.60	November 22, 2025	1.73 years
560,000	\$0.80	January 5, 2025	0.85 years
58,700	\$0.90	March 3, 2026	2.01 years
455,727	\$1.00	July 25, 2026	2.40 years
61,300	\$0.90	July 27, 2026	2.41 years
294,000	\$1.00	September 6, 2026	2.52 years
19,750	\$1.00	September 7, 2026	2.52 years
125,000	\$1.00	December 29, 2026	2.83 years
25,000	\$0.70	December 29, 2026	2.83 years
<b>1,799,477</b>			<b>1.89 years</b>

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**7. SHARE CAPITAL (continued)**

**(d) Restricted Share Units**

A summary of the status of the Company's restricted share units as at February 28, 2025 and February 29, 2024 and changes during those years are presented below:

	Options Outstanding	Weighted Average Exercise Price
Balance February 28, 2023	-	-
Granted	100,000	\$0.90
<b>Balance February 29, 2024</b>	<b>100,000</b>	<b>\$0.90</b>
Exercised	(100,000)	\$(0.90)
<b>Balance February 28, 2025</b>	<b>-</b>	<b>\$-</b>

**(e) Stock options**

A summary of the status of the Company's stock options as at February 28, 2025 and February 29, 2024 and changes during those years are presented below:

	Options Outstanding and exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Balance, February 28, 2023	540,825	\$1.80	3.14
Granted	294,000	\$0.60	
Cancelled/Expired	(74,575)	\$2.80	
<b>Balance February 29, 2024</b>	<b>760,250</b>	<b>\$1.30</b>	<b>2.73</b>
Granted	1,260,000	\$0.08	
Cancelled/Expired	(72,750)	\$1.02	
<b>Balance February 28, 2025</b>	<b>1,947,500</b>	<b>\$0.52</b>	<b>3.91</b>

As at February 28, 2025, the following stock options were outstanding and exercisable:

Number of Shares	Exercise Price	Expiry Date
112,500	\$1.10	December 29, 2025
51,500	\$4.15	February 16, 2026
50,000	\$2.00	April 16, 2026
175,000	\$1.45	January 6, 2027
54,000	\$1.00	April 14, 2027
49,500	\$0.90	March 3, 2028
70,000	\$0.80	May 12, 2028
80,000	\$0.50	October 4, 2028
10,000	\$0.50	November 29, 2028
35,000	\$0.50	January 19, 2026
1,260,000	\$0.08	February 6, 2030
<b>1,947,500</b>		

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**7. SHARE CAPITAL** (continued)

**(e) Stock options** (continued)

As at February 29, 2024, the following stock options were outstanding and exercisable:

<b>Number of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
23,250	\$2.00	September 4, 2024
112,500	\$1.10	December 29, 2025
51,500	\$4.15	February 16, 2026
50,000	\$2.00	April 16, 2026
175,000	\$1.45	January 6, 2027
54,000	\$1.00	April 14, 2027
49,500	\$0.90	March 3, 2028
37,500	\$0.55	April 17, 2024
12,000	\$0.60	April 18, 2024
70,000	\$0.80	May 12, 2028
80,000	\$0.50	October 4, 2028
10,000	\$0.50	November 29, 2028
35,000	\$0.50	January 19, 2026
<b>760,250</b>		

**8. CONTRIBUTED SURPLUS**

The Company has adopted a share incentive plan. The maximum number of shares issuable under the plan shall not exceed 10% of the Company's issued and outstanding shares on each date where options are granted. Options granted may have a maximum term of ten years and must have an exercise price greater than or equal to the closing price of the Company's shares on the day preceding the grant date. Options that have been cancelled or expired continue to be issuable under the plan.

When the Company issues options, it records a stock-based payment compensation expense in the year or period in which the awards are granted and/or vested. Stock-based compensation expense related to options is estimated using the following assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of loss and comprehensive loss.

During the year ended February 28, 2025, the Company has recognized \$114,113 (February 29, 2024 - \$209,629) in compensation upon grant of 1,260,000 (February 29, 2024 - 294,000) options and nil (February 29, 2024 - 100,000) restricted share units. The restricted share units are exercisable after one year from the date of grant and the options are vested 100% on the grant date.

The fair values of options were determined on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

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**8. CONTRIBUTED SURPLUS (continued)**

	<b>February 28, 2025</b>	<b>February 29, 2024</b>
Risk-free interest rate	2.88%	4.69%
Expected life of options	5 years	5 years
Annualized volatility	109%	109%
Dividend rate	-	-

**9. CAPITAL MANAGEMENT**

The Company's objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore on mineral property interests for the benefits of its stakeholders.

The Company considers its capital to be the components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses to budget on all exploration projects and overheads to manage costs, commitments, and exploration activities.

As the Company is in the exploration stage, its operations have been and will likely continue to be funded by the sale of equity to investors. Although the Company has been successful in raising funds in the past through issuing common shares, it is uncertain whether it will be able to continue to raise financing due to difficult conditions.

The Company is not subject to any externally imposed capital requirements and did not change its approach to capital management during the year ended February 28, 2025.

**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**(a) Fair value of financial instruments**

As at February 28, 2025 and February 29, 2024, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, and due to related parties.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As February 28, 2025 and February 29, 2024, the Company believes that the carrying values of accounts payable and accrued liabilities and due to related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

**(b) Credit risk**

Credit risk is the risk of a financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations.

The Company's primary exposure to credit risk is on its cash held in financial institutions. The majority of cash is deposited in bank accounts held with major financial institutions in Canada. Credit risk is managed by using major banks that are high credit quality financial institutions as determined by ratings agencies.

The maximum exposure to credit risk for cash is \$293,468 (February 29, 2024 - \$240,175).

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**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)**

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

**(i) 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 not exposed to significant interest rate risk.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate, as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

**(iii) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

**(d) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company endeavours to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's main source of funding has been from the issuance of equity securities for cash, primarily through private placements.

At February 28, 2025, the Company had accounts payable and accrued liabilities of \$534,567 (February 29, 2024 - \$131,041) and amounts due to related parties of \$395,508 (February 29, 2024 - \$203,216). The Company's accounts payable and accrued liabilities and amounts due to related parties have contractual maturities of less than 30 days and are subject to normal trade terms.

**11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Non-cash investing and financing activities for the year ended February 28, 2025:

- (a) Issued 100,000 shares pursuant to exercise of RSU (Note 7(b)); and
- (b) Issued 173,846 warrants with a value of \$8,433 as broker compensation (Note 7(b)).

Non-cash investing and financing activities for the year ended February 29, 2024:

- (a) Issued 58,700 warrants with a value of \$34,869 pursuant to a property acquisition agreement (Note 5(a));
- (b) Issued 61,300 warrants with a value of \$20,909 pursuant to a property acquisition agreement (Note 5(a));

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**11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)**

- (c) Issued 62,858 warrants with a value of \$20,654 as broker compensation (Note 7(b)); and
- (d) Issued 25,000 warrants with a value of \$5,811 as broker compensation (Note 7(b)).

**12. SEGMENTED INFORMATION**

The Company's one reportable operating segment is the acquisition and exploration of mineral property interests. All assets and operations of the Company are located in Canada.

**13. COMMITMENTS**

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined under Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that are allotted for such expenditure, but have not yet been spent.

During the year ended February 28, 2025, the Company met flow-through expense requirements. During the year ending February 28, 2025, the Company paid \$22,001 (February 29, 2024 - \$4,216) towards Part XII flow-through tax.

**14. INCOME TAXES**

The reconciliation of income tax provision computed at the combined federal and provincial statutory rate of 27% (2024 - 27%) for the years ended February 28, 2025 and February 29, 2024 to the reported income tax expense is as follows:

		<b>2025</b>		<b>2024</b>
Loss before income taxes	\$	(1,915,478)	\$	(1,784,254)
Statutory income tax rate		27%		27%
Income tax recovery computed at statutory rate		(517,179)		(481,749)
Change in timing differences		(39,844)		9,472
Items not deductible for tax purposes		46,877		62,924
Under provided in prior years		120,424		495,440
Unused tax losses and tax offsets not recognized		389,722		(86,087)
	\$	-	\$	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		<b>2025</b>		<b>2024</b>
Non-capital losses	\$	16,550,512	\$	15,802,087
Mineral property interests		8,457,164		7,663,914
Share issuance costs		170,083		272,106
Equipment		40,752		36,983
Net capital losses		30,156		30,156
	\$	25,248,667	\$	23,805,246

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**14. INCOME TAXES (continued)**

The Company has non-capital losses that may be carried forward to apply against future years' income for Canadian income tax purposes. These losses expire as follows:

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2026	\$	833,000
2027		1,341,000
2028		681,000
2029		603,000
2030		541,000
2031		465,000
2032		516,000
2033		537,000
2034		371,000
2035		351,000
2036		82,000
2037		668,000
2038		1,751,000
2039		1,277,000
2040		1,064,000
2041		965,000
2042		1,479,000
2043		1,091,000
2044		1,192,000
2045		743,000
	\$	16,551,000

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