Fox River RESOURCES CORP

Consolidated Financial Statements

October 31, 2024 and 2023

(presented in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Fox River Resources Corporation:

Opinion

We have audited the consolidated financial statements of Fox River Resources Corporation and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2024 and October 31, 2023, and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity (deficit) and cash flows for the years then ended, and 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 October 31, 2024 and October 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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 audits 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 is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises 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 audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. 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.
- 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.

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
February 24, 2025

Chartered Professional Accountants
Licensed Public Accountants

Fox River Resources Corporation
Consolidated Statements of Financial Position
(Presented in Canadian dollars)

As at	Oct. 31, 2024	Oct. 31, 2023
Assets		
Current assets		
Cash and cash equivalents (note 4)	$ 626,095	$ 1,717,475
Accounts receivable	21,332	17,576
Prepaid expenses	29,796	26,194
Marketable securities (note 10)	12,572	8,980
	689,795	1,770,225
Non-current assets		
Restricted cash (note 4)	10,000	10,000
Total assets	**$ 699,795**	**$ 1,780,225**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 87,336	$ 371,255
Non-current liabilities		
Performance share unit liability (note 7)	202,148	5,903
Total liabilities	289,484	377,158
Shareholders' equity (deficit)		
Share capital (note 5)	6,090,065	6,026,065
Share based payment reserve (note 6)	1,249,878	1,133,215
Warrant reserve (note 8)	7,900	7,900
Deficit	(6,937,532)	(5,764,113)
	410,311	1,403,067
Total liabilities and shareholders' equity	**$ 699,795**	**$ 1,780,225**

Reporting entity and nature of operations (note 1)
Commitments and contingencies (note 14)
Events after the reporting period (note 17)

Approved by the Board:

"Stephen Case"
Director

"Elizabeth Leonard"
Director

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

Fox River Resources Corporation
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Presented in Canadian dollars)

For the year ended	**Oct. 31, 2024**	**Oct. 31, 2023**
Expenses		
Exploration & evaluation expenditures (note 11)	$ 453,455	$ 586,444
Consulting fees (note 13)	259,375	219,855
Professional fees	71,311	72,354
Administration	57,828	55,510
Shareholder information	42,473	89,344
Share based payments (note 6, 7 & 13)	341,909	447,510
(Loss) from operations	(1,226,351)	(1,471,017)
Interest income	50,581	52,742
Gain (loss) on change in fair value of marketable securities (note 10)	3,592	1,347
Foreign exchange gain (loss)	(1,241)	2,730
Net loss and comprehensive loss	**$(1,173,419)**	**$(1,414,198)**
Basic and fully diluted loss per share (note 9)	**$ (0.018)**	**$ (0.024)**

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

Fox River Resources Corporation
Consolidated Statements of Cash Flows
(Presented in Canadian dollars)

For the year ended	Oct. 31, 2024	Oct. 31, 2023
Cash flows from operating activities		
Net loss	$ (1,173,419)	$ (1,414,198)
(Gain) loss on marketable securities (note 10)	(3,592)	(1,347)
Share based payments (note 6)	341,909	447,510
Changes in non-cash working capital items		
Accounts receivable	(3,756)	(7,860)
Prepaid expenses	(3,602)	(13,989)
Accounts payable and accrued liabilities	(283,919)	102,872
	(1,126,380)	(887,012)
Cash flows from financing activities		
Proceeds on issuance of common shares (note 5)	-	2,300,000
Share issue costs (note 5)	-	(53,800)
Exercise of share options (note 6)	35,000	-
Exercise of warrants (note 8)	-	152,973
	35,000	2,399,173
Cash flows from investing activities		
Restricted cash	-	10,000
	-	10,000
Net change in cash and cash equivalents	**(1,091,380)**	**1,522,161**
Cash and cash equivalents, beginning of year	1,717,475	195,314
Cash and cash equivalents, end of year	**$ 626,095**	**$ 1,717,475**
Supplemental cash flow information		
Interest received	$ 75,727	$ 52,742

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

Fox River Resources Corporation
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Presented in Canadian dollars)

	Number of shares	Share capital	Share based payment reserve	Warrant reserve	Deficit	Total
Balance, October 31, 2022	**52,410,675**	**$ 3,509,871**	**$ 691,608**	**$ 144,015**	**$ (4,369,009)**	**$ (23,515)**
Private placements (note 5)	11,500,000	2,300,000	-	-	-	2,300,000
Cost of issue of private placements (note 5)	52,500	(61,700)	-	7,900	-	(53,800)
Issuance of shares upon exercise of warrants	509,910	277,894	-	(124,921)	-	152,973
Expiry of warrants (note 8)	-	-	-	(19,094)	19,094	-
Share based payments (note 6)	-	-	441,607	-	-	441,607
Net loss and comprehensive loss for the year	-	-	-	-	(1,414,198)	(1,414,198)
Balance, October 31, 2023	**64,473,085**	**$ 6,026,065**	**$ 1,133,215**	**$ 7,900**	**$ (5,764,113)**	**$ 1,403,067**
Issuance of shares upon exercise of options (note 6)	500,000	64,000	(29,000)	-	-	35,000
Share based payments (note 6)	-	-	145,663	-	-	145,663
Net loss and comprehensive loss for the year	-	-	-	-	(1,173,419)	(1,173,419)
Balance, October 31, 2024	**64,973,085**	**$ 6,090,065**	**$ 1,249,878**	**$ 7,900**	**$ (6,937,532)**	**$ 410,311**

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

1. REPORTING ENTITY AND NATURE OF OPERATIONS

Fox River Resources Corporation ("Fox River" or the "Company") was incorporated pursuant to the Canada Business Corporations Act under the name "9508309 Canada Inc." on November 12, 2015. Articles of amendment were subsequently filed on December 7, 2015 to change the name of the Company to "Fox River Resources Corporation". The registered office of the Company is located at 141 Adelaide Street West, Suite 301, Toronto, Ontario M5H 3L5. The Company has one wholly-owned subsidiary: Baltic Resources Inc. ("Baltic").

The Company's business plan includes acquiring, exploring, evaluating and developing mineral and natural resources properties such as its wholly-owned Martison Phosphate Project. The business involves a high degree of risk and the recoverability of the amounts expended on exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

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

These consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Board of Directors approved the consolidated financial statements and authorized their issuance on February 24, 2025.

3. MATERIAL ACCOUNTING POLICIES

(a) Changes in accounting policies

The Company adopted the following standards during the year ended October 31, 2024:

Amendments to IAS 1 Presentation of Financial Statements ("IAS 1"), IFRS Practice Statement 2 Making Materiality Judgements ("IFRS Practice Statement 2") and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued narrow-scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 8 clarify how companies distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Adoption of these amendments did not have a material impact on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES (continued)

(a) Changes in accounting policies (continued)

Amendments to IAS 12 – Income Taxes ("IAS 12")

In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 which were incorporated into Part I of the CPA Canada Handbook – AcSB in September 2021. The amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases.

(b) Critical accounting estimates and significant judgements

The preparation of these consolidated financial statements requires management to make judgements and estimates the affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. The consolidated financial statements include judgements and estimates which, by their nature, are uncertain, and actual outcomes could differ. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. The preparation of these consolidated financial statements required the following critical accounting estimates and significant judgements:

(i) The fair value of stock options and warrants issued 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 share prices, changes in input assumptions can materially affect the fair value estimate.
(ii) The fair value of performance share units requires management to make a judgement in estimating the vesting period, which is highly subjective, and a change in this assumption can materially affect the fair value estimate.
(iii) The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.
(iv) Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

(c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency.

(d) Earnings (loss) per share

Basic earnings (loss) per common share amounts are computed by dividing net earnings (loss) by the weighted-average number of common shares outstanding for the year. The diluted per share amount does not reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares as it would be anti-dilutive.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgement to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint.

Below is a summary showing the classification and measurement bases of the Company's financial instruments:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Marketable securities	FVTPL
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at fair value through profit and loss (FVTPL)

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents and marketable securities is classified as financial assets measured at FVTPL.

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's restricted cash is classified as a financial asset measured at amortized cost.

Financial assets recorded at fair value through other comprehensive income (FVTOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment’s fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. 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 profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3. MATERIAL ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

Fair value hierarchy

The Company's financial instruments measured at fair value on the balance sheet consist of cash and cash equivalents and marketable securities. Cash and cash equivalents and marketable securities are measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

(f) Share based payments

The Company has a stock-based compensation plan which is described in Note 6. All stock-based awards are measured and recognized at the date of grant using the Black-Scholes fair valuation option pricing model. The estimated fair value of the stock options is recorded as share based payment expense over the vesting period or at the date of the grant if the options vest immediately with the corresponding effect recorded in share based payment reserve within shareholder's equity. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options. Any consideration paid to the Company with respect to the exercise of stock options is credited to share capital along with any related share based payment reserve.

The Company also has a Performance Share Unit Plan (“PSU Plan”) which is described in Note 7. Each performance share unit ("PSU") has the same value as one common share at the date of grant based on the prior day's closing price. PSUs vest and are redeemable only upon a change of control of the Company and will be settled in cash. The fair value of PSUs granted will be recorded as a liability, the value of which is recorded as share based payment expense over the estimated vesting period. The PSUs are revalued at the end of each period based on the closing share price.

(g) Exploration and evaluation expenditures

The Company expenses all costs relating to the acquisition of, exploration for and evaluation of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological work, geophysical studies, property holding costs, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

3. MATERIAL ACCOUNTING POLICIES (continued)

(h) Share issue costs

Costs incurred for the issue of common shares and warrants are deducted from share capital and warrants respectively.

(i) Income taxes

Income tax on the profit or loss for the years presented consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized either in profit or loss and comprehensive income or loss or in equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent their future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(j) Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

(k) Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term. During the year ended October 31, 2024, amounts totaling $ 28,796 (October 31, 2023 - $ 29,428) were included in the statement of operations and comprehensive income (loss) related to leases of short-term natures.

(Presented in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include money market instruments and Guaranteed Investment Certificates ("GICs") which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

	October 31, 2024	October 31, 2023
Cash	$ 111,656	$ 377,707
Money market instruments & GICs	514,439	1,339,768
Cash and cash equivalents	**$ 626,095**	**$ 1,717,475**

Restricted cash consists of GIC collateral of $10,000 for a corporate credit card.

5. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares with no par value and an unlimited number of non-voting special shares. As at October 31, 2024, the Company had 64,973,085 common shares issued and outstanding.

On March 15, 2023, the Company closed a non-brokered private placement of 11,500,000 common shares at a price of $0.20 per share for gross proceeds of $2,300,000. In connection with the private placement, the Company paid finders fees to arm's length finders in connection with subscriptions from subscribers introduced by them, totaling $49,000 in cash, 52,500 common shares of the Company, and 52,500 finders warrants exercisable at $0.30 for two years from closing, which were valued at $7,900 using the Black-Scholes model. The assumptions used to determine the value were: share price - $0.31; expected dividend yield - 0%; weighted expected volatility - 85.49%; risk-free interest rate - 3.50% and an expected life of 2 years. The Company also incurred legal fees of $4,100, and filing and other fees of $700.

During the year ended October 31, 2024, a total of 500,000 share options were exercised for gross proceeds of $35,000 in exchange for the issuance of 500,000 common shares of the Company (2023 - nil). The fair value of share options exercised was $29,000 which was reallocated from share based payment reserve to share capital.

	Number of Shares	Consideration
Balance, October 31, 2022	52,410,675	$ 3,509,871
Issuance of common shares by private placement, net of costs	11,552,500	2,238,300
Shares issued upon exercise of warrants (note 8)	509,910	277,894
Balance, October 31, 2023	64,473,085	$ 6,026,065
Shares issued upon exercise of options (note 6)	500,000	64,000
Balance, October 31, 2024	**64,973,085**	**$ 6,090,065**

(Presented in Canadian dollars)

6. SHARE BASED PAYMENTS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

On February 15, 2023, the Company granted 2,200,000 share options to employees of the Company exercisable at $0.25 per share for a period of five years from the date of issuance. One-third of the options vest immediately, one-third vest on August 15, 2023, and one-third vest on February 15, 2024. The value ascribed to the 2,200,000 share options granted was estimated at $427,000 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: share price - $0.25; expected dividend yield - 0%; weighted expected volatility - 104.24%; risk-free interest rate - 3.43% and an expected life of 5 years.

On March 28, 2024, the Company granted 520,000 share options to employees and consultants of the Company exercisable at $0.25 per share for a period of five years from the date of issuance. 430,000 of the share options vested immediately, and 30,000 share options vest every three months until December 28, 2024. The value ascribed to the 520,000 share options granted was estimated at $91,000 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: share price - $0.235; expected dividend yield - 0%; weighted expected volatility - 98.62%; risk-free interest rate - 3.51% and an expected life of 5 years.

On September 23, 2024, the Company granted 120,000 share options to a consultant of the Company exercisable at $0.37 per share for a period of five years from the date of issuance. 30,000 of the share options vested immediately, and 30,000 share options vest every three months until June 23, 2025. The value ascribed to the 120,000 share options granted was estimated at $31,800 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: share price - $0.355; expected dividend yield - 0%; weighted expected volatility - 99.48%; risk-free interest rate - 2.74% and an expected life of 5 years.

During the year ended October 31, 2024, $145,663 was recognized in the consolidated statement of operations and comprehensive loss with respect to these grants (2023 - $441,607).

During the year ended October 31, 2024, a total of 500,000 share options were exercised for gross proceeds of $35,000 in exchange for the issuance of 500,000 common shares of the Company (2023 - nil). The fair value of share options exercised was $29,000 which was reallocated from share based payment reserve to share capital. The share price on the date of exercise was $0.275.

The following table reflects the continuity of share options for the years ended October 31, 2024 and 2023.

	Options	Exercise price
Balance, October 31, 2022	2,600,000	$ 0.34
Granted	2,200,000	0.25
Balance, October 31, 2023	4,800,000	0.30
Granted	640,000	0.27
Exercised	(500,000)	0.07
Expired	(400,000)	0.25
Balance, October 31, 2024	**4,540,000**	**$ 0.33**

(Presented in Canadian dollars)

6. SHARE BASED PAYMENTS (continued)

As at October 31, 2024, the following share options were outstanding and exercisable:

Expiry date	Outstanding	Exercisable	Exercise price
April 26, 2026	2,100,000	2,100,000	$ 0.41
February 15, 2028	1,800,000	1,800,000	0.25
March 28, 2029	520,000	490,000	0.25
September 23, 2029	120,000	30,000	0.37
Options outstanding and exercisable	**4,540,000**	**4,420,000**	**$ 0.33**

7. PERFORMANCE SHARE UNITS

The Company has a Performance Share Unit Plan ("PSU Plan") under which Performance Share Units ("PSUs") may be granted to directors, officers, employees, and consultants of the Company. The purpose of the Company's PSU Plan is to advance the interests of the Company by providing a cash bonus to participants in the event of a change of control of the Company. PSUs vest and are redeemable only upon a change of control of the Company and will be settled in cash. The fair value of PSUs granted will be recorded as a liability, the value of which on any particular date being equal to the market value of the Company shares.

The following table reflects the continuity of PSUs for the years ended October 31, 2024 and 2023.

	PSUs
Balance, October 31, 2022	-
Granted	2,125,000
Balance, October 31, 2023	2,125,000
Balance, October 31, 2024	**2,125,000**

On October 2, 2023, a total of 2,125,000 PSUs were granted with an expiry date of October 2, 2028. The vesting date of the PSUs is deemed to be the occurrence of a Change of Control, as determined by the Board of Directors. Management has estimated a vesting date of October 2, 2028. The share price on October 31, 2024 was $0.44 which resulted in a fair value of $935,000. The fair value will be recorded over the vesting period and at the end of each fiscal quarter the total performance share unit liability is marked to market based on the price of the Company's shares. During the year ended October 31, 2024, the Company recognized $ 196,245 in share-based payments expense relating to PSUs outstanding with an offset recorded in performance share unit liability (2023 - $ 5,903).

(Presented in Canadian dollars)

8. WARRANTS

No warrants were exercised during the year ended October 31, 2024. During the year ended October 31, 2023, a total of 509,910 warrants with an exercise price of $0.30 per share were exercised for gross proceeds of $152,973. The fair value of warrants exercised was $124,921 which was reallocated from warrant reserve to share capital.

The table below reflects the continuity of warrants for the years ended October 31, 2024 and 2023.

	Number of Warrants	Allocated Value
Balance, October 31, 2022	587,852	$ 144,015
Issued (note 5)	52,500	7,900
Expired	(77,942)	(19,094)
Exercised	(509,910)	(124,921)
Balance, October 31, 2023	52,500	$ 7,900
Balance, October 31, 2024	**52,500**	**$ 7,900**

The exercise price and expiry date of the warrants outstanding as at October 31, 2024 are as follows:

Expiry date	Type	Number	Exercise price
March 15, 2025	Finders Warrants	52,500	$ 0.30

9. INCOME (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted income (loss) per share:

	Year ended Oct. 31, 2024	Year ended Oct. 31, 2023
Net income (loss)	$(1,173,419)	$(1,414,198)
Weighted-average common shares outstanding:		
Basic	64,582,375	59,987,246
Diluted	64,582,375	59,987,246
Basic income (loss) per common share	**$ (0.018)**	**$ (0.024)**
Diluted income (loss) per common share	**$ (0.018)**	**$ (0.024)**

(Presented in Canadian dollars)

10. MARKETABLE SECURITIES

The Company did not buy or sell any marketable securities during the years ended October 31, 2024 and 2023. The Company held the following marketable securities as at October 31, 2024:

Company	Security	Cost
Chibougamau Independent Mines Inc.	89,800 common shares	$ 11,979

Fair Value Oct. 31, 2022	Acquisition (Disposition)	Gain / (Loss) on Change in Fair Value	**Fair Value Oct. 31, 2023**	Acquisition (Disposition)	Gain / (Loss) on Change in Fair Value	**Fair Value Oct. 31, 2024**
$ 7,633	$ -	$ 1,347	**$ 8,980**	$ -	$ 3,592	**$ 12,572**

11. EXPLORATION AND EVALUATION EXPENDITURES

The Company owns a 100% interest in the Martison Phosphate Project (the "Project"), which is located about 70 kilometers northeast of the town of Hearst, Ontario. The Project mining leases and claims cover a contiguous area of approximately 8,450 ha. The Company's interest in the Project is subject to a net sales returns ("NSR") royalty of 1% for all phosphate concentrate sold, a royalty of $0.40 per tonne of phosphate concentrate produced subject to escalation based on phosphoric acid prices, and a NSR royalty of 2% for all non-phosphate-related products sold. The Company has a one-time right to acquire the 1% NSR royalty prior to commencement of commercial production for $3,000,000.

The following table sets forth the items under exploration and evaluation expenditures:

	Year ended Oct. 31, 2024	**Year ended Oct. 31, 2023**
Technical and consulting	$ 295,014	$ 480,826
Metallurgy and assays	49,002	5,200
Permitting and consultation	44,224	22,154
Field Work	23,000	25,763
Storage and rent	21,600	21,600
Leases and property taxes	14,603	16,730
Travel and transportation	6,015	14,171
Exploration and evaluation expenditures	**$ 453,455**	**$ 586,444**

(Presented in Canadian dollars)

12. INCOME TAXES

(a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

		2024		2023
Net income (loss) before recovery of income taxes	$	(1,173,419)	$	(1,414,198)
Expected income tax (recovery) expense		(310,956)		(374,762)
Increase (decrease) resulting from				
Unrealized (gain) loss on marketable securities		(476)		(178)
Share based compensation and other permanent difference		90,606		118,590
Non taxable portion of capital (gain) loss		-		-
Share issuance cost booked directly to equity		-		(14,258)
Other including true-ups		-		-
Change in tax benefits not recognized		220,826		270,608
Total income tax (recovery) expense	**$**	**-**	**$**	**-**

(b) Deferred tax

The following table shows deferred income taxes resulting from temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes, as well as tax loss carryforwards:

		2024		2023
Deferred tax assets				
Resource pools - mineral properties	$	-	$	-
Deferred tax liabilities				
Marketable securities		-		-
Net deferred tax asset	**$**	**-**	**$**	**-**

(Presented in Canadian dollars)

12. INCOME TAXES (continued)

(c) Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Property, plant and equipment	$ 766	$ 766
Marketable securities	-	-
Non-capital losses	2,362,560	1,920,600
Resource pools - mineral properties	35,816,290	35,405,054
Share issuance costs	39,619	47,932
Canadian development expenses	-	-
Foreign exploration and development expenses	-	-

The Canadian non-capital loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized in 2027. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2036	2037	2038	2039	2040	2041	2042	2043	2044
$ 133,469	$ 212,287	$ 41	$ 217,551	$ 234,962	$ 287,788	$ 387,204	$ 447,298	$ 441,964

13. RELATED PARTY TRANSACTIONS

(a) Director and executive compensation

Director and executive compensation for the years ended October 31, 2024 and 2023 consisted of the following:

	Year ended Oct. 31, 2024	Year ended Oct. 31, 2023
Cash compensation	$ 144,000	$ 144,000
Fair value of share based payments	175,466	61,610
Total	**$ 319,466**	**$ 205,610**

No share options were granted to officers and directors during the years ended October 31, 2024 and 2023.

(Presented in Canadian dollars)

13. RELATED PARTY TRANSACTIONS (continued)

(b) Director and executive transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

		Transaction value		**Balance outstanding**	
	Note	**Year ended Oct. 31, 2024**	**Year ended Oct. 31, 2023**	**Oct. 31, 2024**	**Oct. 31, 2023**
Consulting fees	(i)	$ 144,000	$ 144,000	$ -	$ -
Total		**$ 144,000**	**$ 144,000**	**$ -**	**$ -**

(i) The Company paid consulting fees of $7,000 per month to Stephen Case, the Chief Executive Officer and a Director, and $5,000 per month to Fraser Laschinger, the Chief Financial Officer.

14. COMMITMENTS AND CONTINGENCIES

(a) Mining leases

The Company has three 21-year mining leases with the Province of Ontario which grant the Company surface and mining rights to the Project. One of the mining leases commenced on August 1, 2023 and the remaining two on May 1, 2011. The aggregate annual payment for the three leases is estimated to be approximately $13,000.

15. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholder's equity (deficit), which amounted to $410,311 on October 31, 2024. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. Neither the Company nor its subsidiary is subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended October 31, 2024.

16. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company's cash balance of $111,656 (note 4) is held by a Schedule I Canadian Chartered Bank. The Company's cash equivalents balance of $514,439 (note 4) primarily consists of investment savings accounts and/or guaranteed investment certificates issued by Schedule I Canadian Chartered Banks. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. As at October 31, 2024, the Company had cash and cash equivalents of $626,095 to settle current liabilities of $ 87,336.

(c) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(d) Market price risk

The Company is indirectly exposed to price risk with respect to the price of phosphate products. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

(e) Marketable securities price risk

The Company is exposed to equity securities price risk because of the marketable securities held by the Company. The Company's marketable securities are not part of its core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance. As at October 31, 2024, the impact of a 10% increase or decrease in the share prices of the marketable securities would have resulted in an increase or decrease of $1,257 that would have been included in net loss and comprehensive loss.

17. EVENTS AFTER THE REPORTING PERIOD

On November 27, 2024, the Company completed a private placement with a strategic investor that raised gross proceeds of $2,880,000 through the issuance of 7,200,000 common shares priced at $0.40 per common share.

On December 11, 2024, the Company completed a private placement that raised gross proceeds of $3,000,000 through the issuance of 7,500,000 common shares priced at $0.40 per common share.