GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)

CONSOLIDATED FINANCIAL STATEMENTS
(Audited)

March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gamma Resources Ltd. (formerly Gabo Mining Ltd.)

Opinion

We have audited the accompanying consolidated financial statements of Gamma Resources Ltd. (formerly Gabo Mining Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit 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 audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a net loss of $894,567 for the year ended March 31, 2025, and as at that date the Company's accumulated deficit was $31,395,489. As stated in Note 2, these events and conditions 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 of the current period. 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 there are no other key audit matters to be communicated in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

In connection with our audit 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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year ended 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.

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 29, 2025

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	March 31, 2025	March 31, 2024
ASSETS			
Current			
Cash		$ 240,392	$ 2,003
Other receivables		12,335	13,257
Prepaid expenses	5	14,374	808
Investments	9	193,774	241,124
		460,875	257,192
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 104,259	$ 102,412
Promissory notes	10	2,055,077	2,113,899
Due to related parties	7	45,974	174,815
		2,205,310	2,391,126
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	$ 24,208,387	$ 23,563,179
Reserves	8	5,442,667	4,803,809
Deficit		(31,395,489)	(30,500,922)
		(1,744,435)	(2,133,934)
		$ 460,875	$ 257,192

Corporate information and nature of operations (Note 1)

Subsequent events (Note 15)

These consolidated financial statements were authorized for issue by the Board of Directors on July 29, 2025.

Approved on behalf of the Board:

/s/ Mark Saxon	***/s/ David Shaw***
Mark Saxon – Director	David Shaw – Director

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	For the year ended March 31 2025	For the year ended March 31 2024
Expenses			
Amortization and depreciation	4,6	$ -	$ 18,614
Consulting fees	7	288,636	67,719
Director fees	7	65,050	82,500
Investor relations		576	16,228
Management fees and salaries	7	-	12,485
Office and general		19,499	36,248
Professional fees	7	126,626	99,734
Research costs	4	-	79,039
Transfer agent and filing fees		36,406	35,942
Travel and accommodation		6,679	18,136
Share-based compensation	7,8	126,494	-
		(669,966)	(466,645)
Interest and accretion expense	10	(162,267)	(274,861)
Modification of debt	10	94,277	185,240
Loan bonus and premium	10	-	(133,350)
Foreign exchange gain (loss)		(109,261)	3,219
Fair value loss on investments	9	(47,350)	(324,220)
Default premium	10	-	(367,017)
Impairment of technology license and equipment	4, 6	-	(394,143)
		(224,601)	(1,305,132)
Net loss and comprehensive loss for the year		$ (894,567)	$ (1,771,777)
Basic and diluted loss per share		$ (0.05)	$ (0.18)
Weighted average number of common shares outstanding - basic and diluted		18,736,548	10,027,781

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
Balance as at March 31, 2023		**10,027,781**	**$ 23,563,179**	**$ 4,803,809**	**$ (28,729,145)**	**$ (362,157)**
Net loss and comprehensive loss		-	-	-	(1,771,777)	(1,771,777)
Balance as at March 31, 2024		**10,027,781**	**$ 23,563,179**	**$ 4,803,809**	**$ (30,500,922)**	**$ (2,133,934)**
Net loss and comprehensive loss		-	-	-	(894,567)	(894,567)
Units issued on financing	8	11,750,000	1,175,000	-	-	1,175,000
Share issuance costs	8	-	(17,428)	-	-	(17,428)
Warrant issued on financing	8	-	(512,364)	512,364	-	-
Share-based compensation	8	-	-	126,494	-	126,494
Balance as at March 31, 2025		**21,777,781**	**$ 24,208,387**	**$ 5,442,667**	**$ (31,395,489)**	**$ (1,744,435)**

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

		For the year ended March 31	
	Note	**2025**	**2024**
Cash provided by (used for):			
Operating activities			
Net loss		$ (894,567)	$ (1,771,777)
Items not involving cash:			
Amortization and depreciation	4,6	-	18,614
Share-based compensation	8	126,494	-
Fair value loss on investments	9	47,350	324,220
Default premium	10	-	367,017
Foreign exchange loss (gain)		123,457	(3,219)
Interest and accretion expense	10	162,267	274,862
Modification of debt	10	(94,277)	(185,240)
Loan bonus and premium	10	-	133,350
Impairment of technology license and equipment	4,6	-	394,143
Changes in non-cash working capital items:			
Other receivables		922	(5,358)
Prepaid expenses		(13,566)	39,937
Accounts payable and accrued liabilities		1,847	58,627
Due to related parties		(128,841)	174,815
Cash used in operating activities		(668,914)	(180,009)
Financing activities			
Units issued for cash	8	1,175,000	-
Share issuance costs	8	(17,428)	-
Loan	7	-	102,768
Repayment of loan	10	(250,269)	(103,425)
Cash provided (used) by financing activities		907,303	(657)
Effect of exchange rate changes on cash		-	(787)
Net increase (decrease) in cash		238,389	(181,453)
Cash - beginning of the year		$ 2,003	$ 183,456
Cash - end of the year		$ 240,392	$ 2,003

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

NOTE 1 – CORPORATE INFORMATION AND NATURE OF OPERATIONS

Gamma Resources Ltd. (formerly Gabo Mining Ltd.) (the "Company") was incorporated on December 8, 1989, under the Business Corporations Act (British Columbia).

Effective June 16, 2025, the Company was renamed as "GAMMA RESOURCES LTD." and started trading on the TSX Venture Exchange under the symbol "GAMA".

The Company's mission is to develop U.S.-based uranium resources and supply critical raw materials essential to both national security and global clean energy objectives.

The Company's registered office is Suite 410 – 325 Howe Street, Vancouver, British Columbia, V6C 1Z7.

NOTE 2 – BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Measurement

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

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Medallion Research USA, Inc. and Medallion Innovations UK Limited. All intercompany transactions and balances have been eliminated on consolidation.

Continuance of Operations

These consolidated financial statements are prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company has not generated revenue from operations. The Company incurred a net loss of $894,567 for the year ended March 31, 2025, and as at that date the Company's accumulated deficit was $31,395,489. The Company does not generate any cashflow from operations to fund its future activities and has relied principally upon the issuance of securities to fund its operating and administrative expenditures.

If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these consolidated financial statements. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

NOTE 3 - MATERIAL ACCOUNTING POLICIES

Foreign Currency Translation

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue, and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the period-end date and the related translation differences are recognized in profit or loss.

Foreign denominated monetary assets and liabilities are translated to their Canadian-dollar equivalents using foreign exchange rates that prevailed at the statement of financial position date. Non-monetary items that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently valued. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in profit or loss or other comprehensive income (loss) consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with maturities of three months or less when acquired which are readily convertible into cash. As at March 31, 2025, the Company did not hold any cash equivalents.

Impairment of Non-Financial Assets

At each reporting period the carrying amounts of the Company's non-financial assets are reviewed for indicators of impairment. If indicators exist, the recoverable amount of the asset is estimated.

For purposes of assessing impairment, assets are grouped into cash generating units ("CGU") defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in net loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. Fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in net loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Research and development

Expenditures on research are recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are recognized in profit and loss in the period in which the expenditure is incurred.

Subsequent to initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. At March 31, 2025, the Company has not recognized any internally-generated intangible assets and had recorded all expenditures incurred as research costs.

Intangible assets

The Company acquired a license for exclusive rights to Purdue University-developed rare earth element (REE) separation and purification technologies (see Note 4) on February 17, 2021. The Company, unless separately acquired, expenses patent costs, including license fees and other maintenance costs, until such time as the Company has certainty over the future recoverability of the intellectual property at which time it capitalizes the costs incurred.

The Company does not hold any intangible asset with an indefinite life.

Intangible assets with finite lives that are acquired separately are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if applicable.

Depreciation is recognized using the following rates/terms, intended to depreciate the cost of equipment, less its residual values, if any, over its estimated useful lives:

- Research equipment – straight line method over 7 years.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repair and maintenance costs are charged to profit or loss during the period they are incurred. Any gain or loss on the disposal or retirement of equipment is recognized in profit or loss.

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: cash and other receivables at amortized cost; investments at fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principle and interest on the principle amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the consolidated statement of loss and comprehensive loss in the period in which they arise (see Note 11).

Financial assets at FVTOCI

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

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

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

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

(ii) Financial liabilities

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

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at March 31, 2025.

(iv) Compound financial instruments

Compound financial instruments issued by the Company are comprised of convertible debentures that can be converted to share capital at the option of the holder (subject to certain restrictions as detailed in Note 10), and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(v) Embedded derivatives

Embedded derivatives are contained in non-derivative host contracts and are treated as separate derivatives when they meet the definition of a derivative, and their risks and characteristics are not closely related to those of the host contracts. Embedded derivatives are recorded at fair market value with mark-to-market adjustments recorded in profit or loss. The Company's convertible debentures denominated in foreign currency are considered host contracts for the embedded derivatives.

Refer to Note 11 for details of the classification of the Company's financial assets and liabilities.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Share Capital

Unit Offerings

The Company utilizes the relative fair value method with respect to the measurement of shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair values of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserves to share capital.

Loss Per Share

Basic income (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted income (loss) per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Basic and diluted loss per share is the same in periods where the Company recognizes a net loss, as the inclusion of common share equivalents would be anti-dilutive.

Share-based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in reserves, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with no vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders the service.

All equity-settled share-based payments are reflected in the reserves, until exercised. Upon exercise, shares are issued from the treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted.

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

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Use of estimates and critical judgments

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

(i) Estimates

The determination of the fair value of stock options and warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

The estimated useful lives of equipment and intangible assets are reviewed by management and adjusted if necessary. To estimate their useful life, management must use its past experience with the same or similar assets, review industry practices for similar pieces of equipment and/or apply statistical methods to assist in its determination of useful life.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (cont'd)

Use of estimates and critical judgments (cont'd)

(ii) Judgments

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

The assessment of the Company's ability to continue as a going concern as discussed in Note 2 involves judgment regarding future funding available for its operations and working capital requirements.

Judgement is used in assessing evidence that could indicate impairment of property, plant and equipment, or intangible assets, resulting from increases in anticipated costs, or changes in anticipated cash flows.

Judgement is used in assessing whether the amendments made to the convertible debentures are modification of debt or extinguishment of debt.

New accounting policies

The following amendments to existing standards have been adopted by the Company commencing April 1, 2024:

IAS 1, Presentation of Financial Statements

The amendments clarified the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment did not have significant impact upon adoption.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after April 1, 2025 which have not been applied in preparing these consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the financial statements of the Company are the following:

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7, Statement of Cash Flows. This amendment is effective for financial statements beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact of this standard on the consolidated financial statements.

(Expressed in Canadian dollars)

NOTE 4 – RESEARCH COSTS & TECHNOLOGY LICENSE

Details of research costs in connection with the Company's efforts to finance, develop and construct LAD Chromatography and MMP processing facilities and/or enter into commercial partnerships are set out below. These costs support the Company's strategy of focusing on mid-stream separation and purification of magnetic REOs.

	For the year ended March 31	
	2025	**2024**
Consulting	$ -	$ 74,561
Legal and other	-	4,478
	$ -	$ 79,039

On February 17, 2021, the Company acquired the Technology License from Hasler Ventures LLC under which the Company had exclusive rights to LAD Chromatography developed by Purdue to separate minerals from all raw material feed stocks excluding coal sources and recycled materials from manufacturing wastes and recyclates from battery and magnet sources. On March 30, 2023, the Company and Purdue amended the Technology License such that the Company committed to raise at least US$5,000,000 by September 30, 2023. In support of the research program, the Company also purchased specialized equipment to be used by Purdue University for $152,146 (see Note 6). The Company was unable to raise the required amount and on Oct 17, 2023, the Company received a notice of termination of the agreement with Purdue and therefore the balance of the Technology License was fully impaired.

In consideration for acquisition of the Technology License, the Company issued 1,000,000 fully paid shares to a nominee of Hasler Ventures LLC at a fair value of $300,000 and paid cash consideration of $9,833. The Technology License is an intangible asset and is amortized over the 20-year term of the license.

Cost - Technology license	
Balance, March 31, 2023	$ 309,833
Additions	-
Balance, March 31, 2024	$ 309,833
Balance, March 31, 2025	$ 309,833
Accumulated amortization and impairment	
Balance, March 31, 2023	$ 32,920
Depreciation	7,746
Impairment	269,167
Balance, March 31, 2024	$ 309,833
Balance, March 31, 2025	$ 309,833
Net book value, March 31, 2024	**$ -**
Net book value, March 31, 2025	**$ -**

NOTE 5 – PREPAID EXPENSES

	March 31, 2025	**March 31, 2024**
Consulting and other	$ 14,374	$ 808
	$ 14,374	$ 808

(Expressed in Canadian dollars)

NOTE 6 – EQUIPMENT

Cost - Research equipment		
Balance, March 31, 2023	$	152,146
Additions		-
Balance, March 31, 2024	$	152,146
Balance, March 31, 2025	$	152,146
Accumulated amortization and impairment		
Balance, March 31, 2023	$	16,302
Depreciation		10,868
Impairment		124,976
Balance, March 31, 2024	$	152,146
Balance, March 31, 2025	$	152,146
Net book value, March 31, 2024	**$**	**-**
Net book value, March 31, 2025	**$**	**-**

Research equipment was purchased to support the Purdue University LAD Chromatography project, which project was terminated on October 17, 2023 (see Note 4).

NOTE 7 – RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

a) During the year ended March 31, 2025, $Nil (2024 - $12,485) was incurred in management fees and salaries to the former Chief Executive Officer of the Company. At March 31, 2025 $Nil (March 31, 2024 – $Nil) was owed to this person

b) During the year ended March 31, 2025, the Company incurred $74,850 (2024 - $10,000) of accounting and consulting fees to a company of which the Company's CFO, Mr. Doyle is a shareholder. At March 31, 2025 $32,658 (March 31, 2024 – $37,522) was owed to this company, $32 (March 31, 2024 – $7,815) was owed to Mr. Doyle.

c) During the year ended March 31, 2025, $272,743 (2024 - $63,369) was charged by a private company controlled by a director of the Company, Gabriel Alonso-Mendoza, for marketing and consulting fees. At March 31, 2025 $Nil (March 31, 2024 – $41,559) was owed to this company.

d) During the year ended March 31, 2025, $65,050 (2024 - $82,500) was incurred to independent directors for director fees. At March 31, 2025 $13,284 (March 31, 2024 – $84,019) was owed to directors and $16,569 (March 31, 2024 – $Nil) was owed to former directors.

e) During the year ended March 31, 2025, $124,385 (2024 - $Nil) was incurred to independent directors and CFO as share-based compensation.

f) At March 31, 2025, $Nil (March 31, 2024 - $3,900) was owed to a company controlled by a former director.

g) During the year ended March 31, 2025, the Company borrowed $Nil (2024 - $102,768) from a private company controlled by a former director and Chief Technology Officer of the Company. The Company repaid the loan within the year ended March 31, 2024.

NOTE 8 – SHARE CAPITAL

Authorized share capital

Authorized share capital consists of an unlimited number of common shares without par value.

Fiscal 2025

On June 24, 2024, the Company closed the first tranche of the non-brokered private placement. The first tranche resulted in the issue of 10,700,000 units at a price of $0.10 per unit for gross proceeds of $1,070,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until June 24, 2027 at an exercise price of $0.15 per warrant share. The warrants were ascribed a value of $466,890 with $603,110 being allocated to share capital. In accordance with the Company's accounting policy in regard to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 146.27% and a risk-free interest rate of 3.88%.

On October 8, 2024, the Company closed the second tranche of the non-brokered private placement. The second tranche resulted in the issue of 1,050,000 units at a price of $0.10 per unit for gross proceeds of $105,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until October 8, 2027 at an exercise price of $0.15 per warrant share. The warrants were ascribed a value of $45,474 with $59,526 being allocated to share capital. In accordance with the Company's accounting policy in regard to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 148.59% and a risk-free interest rate of 3.18%

Fiscal 2024

There were no common shares issued during the year ended March 31, 2024.

(Expressed in Canadian dollars)

NOTE 8 – SHARE CAPITAL (cont'd)

Warrants

A summary of the changes in the Company's warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price
Balance - March 31, 2023	715,121	$ 1.40
Expired	(715,121)	1.40
Balance - March 31, 2024	-	$ -
Addition	11,750,000	0.15
Balance - March 31, 2025	11,750,000	$ 0.15

As of March 31, 2025, the following warrants were outstanding:

Expiry Date	Number of warrants outstanding and exercisable	Exercise Price
June 24, 2027	10,700,000	0.15
October 8, 2027	1,050,000	0.15
	11,750,000	$ 0.15

As at March 31, 2025, the weighted average remaining life of the outstanding warrants is 2.26 years (March 31, 2024 – 0 years).

Stock Options

The Board of Directors is authorized, pursuant to the Company's Stock Option Plan, to grant options to directors, officers, consultants, or employees to acquire up to 10% of the issued and outstanding common shares at the time of grant. The exercise price for a stock option must not be less than the market price of the Company's common shares at the time the option is granted, less applicable discounts permitted by the TSX Venture Exchange. Stock options granted under this plan are exercisable over a period not exceeding five years.

A summary of the changes in the Company's stock options is presented below:

	Number of Stock Options	Weighted Average Exercise Price
Balance – March 31, 2023	957,160	$1.23
Expired/cancelled	(461,634)	1.04
Balance – March 31, 2024	495,526	$1.39
Granted	1,800,000	0.08
Expired/cancelled	(236,242)	1.77
Balance – March 31, 2025 – Outstanding and exercisible	2,059,284	$0.20

(Expressed in Canadian dollars)

NOTE 8 – SHARE CAPITAL (cont'd)

Stock Options (cont'd)

As of March 31, 2025, the following stock options were outstanding:

Expiry Date	Number of Stock Options Outstanding		Exercise Price
May 25, 2025[(a)]	157,142		0.735
July 22, 2025[(b)]	45,000		1.365
September 18, 2025	21,428		2.31
August 18, 2026	35,714		1.19
February 3, 2030	1,800,000		0.08
	2,059,284	$	0.20

[(a)] 157,142 options subsequently expired unexcercised

[(b)] 45,000 options subsequently expired unexcercised

As at March 31, 2025, the weighted average remaining life of the outstanding and exercisable options is 4.29 years (March 31, 2024 – 1.45 years).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	2025	2024
Risk-free interest rate	2.26%	Nil
Expected stock price volatility	135.90%	Nil
Expected option life in years	5 years	Nil
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

The total share-based compensation expense for the year ended March 31, 2025, was $126,494 (2024 - $Nil).

NOTE 9 – INVESTMENTS

In a letter of intent dated July 22, 2021 ("Letter of Intent"), the Company and ACDC Metals Ltd (formerly ACDC Metals Pty Ltd) (“ACDC”), an Australian private company, set out non-binding terms by which the Company proposed to grant to ACDC a single use, non-transferable, and geographically constrained license to the Medallion Monazite Process (“MMP”), and an option to sublicense the LAD Process, and ACDC agreed to issue to the Company 4,500,000 founder shares of ACDC, which were issued on November 1, 2021 at AU$0.001 per share. On October 17, 2023, the Company’s rights to the LAD Process were terminated and therefore the ACDC option to sublicense the LAD Process no longer applies.

On December 8, 2021 the Company purchased an additional 300,000 shares of ACDC at AU$0.10 per share.

On October 2, 2022 the Company entered into a definitive agreement with ACDC, replacing the Letter of Intent, whereby ACDC has the exclusive right to MMP to extract rare earth elements (REEs) from monazite sourced as a byproduct of heavy mineral sand production in the states of Victoria, New South Wales, South Australia, and in the Northern Territory, Australia.

In addition to the initial founder shares, ACDC issued 2,500,000 Class C performance rights convertible into the same number of ACDC’s common shares upon completion of a pilot plant using the MMP, and 750,000 Class D performance rights convertible into the same number of ACDC’s common shares upon commercial production of REEs from a MMP facility, and ACDC will pay the Company a royalty of 2% on the sale of mixed REE compounds and other minerals produced by ACDC and processed using the MMP.

On November 9, 2022 ACDC lodged a prospectus with the Australian Securities & Investment Commission whereby ACDC offered 40,000,000 shares at AU$0.20 per share in an initial public offering (IPO).

On December 9, 2022 the Company and ACDC entered into a Restriction Deed whereby the Company agreed that 4,650,000 of the ACDC common shares (the “Restricted Shares”), 2,500,000 Class C performance rights, 750,000 Class D performance rights, or any common shares issued upon conversion of performance rights, shall be escrowed for 24 months from the first trading day of the ordinary shares.

The cost base of the Company’s 4,800,000 common shares of ACDC is $31,746.

As at March 31, 2025, all the 4,800,000 shares of ACDC are free trading within 12 months (the “Trading Shares”) with a fair value of $193,774 (AUD$0.04 per share) (2024-$241,124 (AUD$0.055 per share)).

As at March 31, 2025, no value was attributed to the performance rights as management of the Company has determined that there is insufficient support for whether ACDC will achieve either of the performance milestones. The Company will continue to reassess the likelihood of ACDC achieving the milestones on a periodic basis and record the fair value of the performance rights if and when supporting indicators are present.

(Expressed in Canadian dollars)

NOTE 9 – INVESTMENTS (cont'd)

A summary of investment transactions for the year ended March 31, 2025 and 2024 is as follows:

	Current Asset ($)	Non-current Asset ($)	Total ($)
Cost			
March 31, 2023	992	30,754	31,746
Reclassification	30,754	(30,754)	-
March 31, 2024 and 2025	**31,746**	**-**	**31,746**
Fair value			
March 31, 2023	17,667	547,677	565,344
Unrealized gain (loss)	(10,132)	(314,088)	(324,220)
Reclassification	233,589	(233,589)	-
March 31, 2024	**241,124**	**-**	**241,124**
Unrealized gain (loss)	(47,350)	-	(47,350)
March 31, 2025	**193,774**	**-**	**193,774**

NOTE 10 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES

On August 2, 2022, the Company executed Securities Purchase Agreements (collectively, the "SPAs") with two creditors (the "Holders") whereby the Company issued convertible debentures for net proceeds of US$975,000 ($1,285,400). The convertible debentures had a term of one year, maturing on August 1, 2023 (the "Maturity Date"), and bore interest at the rate of 5.0% per annum.

The principal value of the convertible debentures was US$1,150,000 of which US$150,000 ($192,811) was initially recognized as a financing charge and was recorded as interest and accretion expense as the balance is amortized over the term of the convertible debentures. The convertible debentures were unsecured but included negative covenants that restricted the Company's ability to incur indebtedness other than capital lease obligations and other indebtedness incurred in connection with the acquisition of machinery and equipment, and trade accounts and insurance premium financing incurred in the ordinary course, unless the proceeds of such indebtedness were used to pay amounts due under the convertible debentures.

Under the SPA's, if the Company were to complete an Initial Public Offering on the Nasdaq Capital Market or equivalent exchange in the United States, and delist from the TSX-V (collectively, the Qualified Public Offering, or "QPO"), the convertible debentures would have been convertible at the option of the Holders (principal plus accrued interest) into the same common shares or units offered in the QPO at a price that is equal to 75% of the offering price. The Company did not complete a QPO on or before August 1, 2023 and therefore the convertibility is no longer valid and thus, the convertible debentures (principal plus accrued interest) are repayable in cash as a promissory note. Further, if the Company had completed a QPO on or before August 1, 2023, the Company was committed to issue to the Holders such number of share purchase warrants equal to dividing 50% of the initial principal amount (US$1,150,000) by 75% of the QPO price.

The exercise price of the warrants would have been equal to the QPO price on issuance. As the warrants have not been issued and will not be issued, no value was attributed to the warrants for purposes of the accounting for the convertible debentures.

NOTE 10 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES (cont'd)

As the SPAs are denominated in the United States dollar and the functional currency of the Company is the Canadian dollar, the conversion feature was considered an embedded derivative and, collectively, the convertible debentures and conversion feature was considered a hybrid instrument. The embedded derivative was recorded at fair value, adjusted by a probability factor of the Company completing a QPO on or before the Maturity Date, and was to be re-measured each period with movements being recorded as a gain or loss on the consolidated statements of loss and comprehensive loss. The difference between the fair value of the derivative and the face value of the debt was allocated to the convertible debentures.

As a result, the recorded liability to repay the convertible debentures was lower than its face value. Using the effective interest rate method, the convertible debentures were accreted up to their face value over the term of the convertible debentures. The Company recorded accretion and interest expense (net of amortization of the deferred financing charge (liability)) totaling $162,267 (2024 - $274,861) and a foreign exchange adjustment of $123,458 for the year ended March 31, 2025 (2024 - $(4,006)).

Upon initial recognition and prior to the allocation of transaction costs (US$25,000 ($32,136)), the fair value of the derivative was determined to be $nil using the Black-Scholes option pricing model with the following assumptions: share price of $0.07, exercise price of $0.053, risk-free rate of 3.10%, expected volatility of 113%, expected life of 1.00 year, no dividend yield, and a probability adjustment factor of 0%. As at March 31, 2025 and 2024, given the Company has determined that under current market conditions it will not be able to complete a QPO on or before August 1, 2023, the fair value remained $Nil.

On July 31, 2023, the Company entered into amendments with the holders of the unsecured convertible debentures whereby the term was extended from August 2, 2023 to October 31, 2023, the convertibility features and any obligation for the Company to issue warrants to purchase shares of the Company associated with the unsecured convertible debentures were cancelled, in exchange for which the Company accrued to the Holders a loan bonus of $133,350 (US$100,000). On July 31, 2023 the convertible debentures were extinguished, and the new "promissory notes" were added as a replacement of the convertible debentures with an interest rate of 5% to October 31, 2023. The new promissory notes were valued using an estimated market interest rate of 15% resulting in a gain on extinguishment of $37,914.

On December 14, 2023, the Company entered into the second amendments with the Holders to extend the term to June 30, 2024. The Company also accrued a mandatory default premium of $367,017 (US$264,556) (20% of outstanding principal and interest as at October 31, 2023). From October 31, 2023 to December 14, 2023, interest accrued to the Holders on the aggregate outstanding principal amount of the promissory note at the rate of 15% per annum and thereafter an interest free period that begins on December 15, 2023 and ends on June 30, 2024. The amendment resulted in a modification gain of $147,326 using the original effective interest rate of 15% per annum.

On June 14, 2024, the Company entered into the third amendments with the Holders to extend the term and interest-free period to September 30, 2024, for no consideration. The amendment resulted in a modification gain of $94,277 using the original effective interest rate of 15% per annum.

During the year ended March 31, 2025, the Company repaid US$180,731 ($250,269) of the promissory notes.

Subsequent to year end, the Company entered into the fourth amendments with the Holders. (Note 15)

(Expressed in Canadian dollars)

NOTE 10 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES (cont'd)

A reconciliation of the convertible debenture liability is as follows:

Balance, March 31, 2023	**$**	**1,527,916**
Interest expense and accretion		105,179
Foreign exchange adjustment		(22,894)
Extinguishment		(1,610,201)
Balance, August 2, 2023	**$**	**-**

A reconciliation of the promissory note liability is as follows:

Balance, August 2, 2023	**$**	**-**
Transferred from Convertible debentures		1,572,287
Loan bonus		133,350
Interest expense and accretion		169,682
Modification of debt		(147,326)
Default premium		367,017
Foreign exchange adjustment		18,889
Balance, March 31, 2024	**$**	**2,113,899**
Interest expense and accretion		162,267
Modification of debt		(94,277)
Repayment of Promissory notes		(250,269)
Foreign exchange adjustment		123,458
Balance, March 31, 2025	**$**	**2,055,077**

NOTE 11 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of 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.

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the consolidated statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance March 31, 2025
Investments - trading shares	$ 193,774	$ -	$ -	$ 193,774

The fair value of the Company's cash, accounts payable and accrued liabilities, due to related parties and convertible debentures' approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk
The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

b) 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 manages liquidity risk through the management of its capital structure. Accounts payable, accrued liabilities, convertible debentures, promissory notes, and due to related parties are due within the current operating period.

c) Commodity price risk
The ability of the Company to develop its business and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis
The Company has, for accounting purposes, designated its investment as FVTPL. Cash, accounts payable, accrued liabilities, amounts due to related parties, convertible debts, and promissory notes are measured at amortized cost.

NOTE 11 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Based on management's knowledge and experience of the financial markets and the fact that there are no interest charges, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk. The promissory notes are denominated in US dollars and therefore the Company's current financial instruments do result in a foreign currency risk, which the Company seeks to mitigate by holding cash in US dollars. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources. As of March 31, 2025, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future financing transactions such as equity offerings, exercise of stock options and warrants, and debt or convertible debt to finance project development. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

NOTE 12 – INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2025		2024
Net loss for the year	$	(894,567)	$	(1,771,777)
Expected income tax (recovery)	$	(242,000)	$	(478,000)
Change in statutory, foreign tax, foreign exchange rates and other		(5,000)		(40,000)
Permanent differences		59,000		47,000
Share and debt issue cost		(5,000)		(36,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		111,000		110,000
Change in unrecognized deductible temporary differences		82,000		397,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**
Current income tax	**$**	**-**	**$**	**-**
Deferred tax recovery	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2025		2024
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	1,215,000	$	1,226,000
Property and equipment		44,000		44,000
Share and debt issue costs		50,000		80,000
Allowable capital losses		44,000		18,000
Non-capital losses available for future periods		4,691,000		4,594,000
Valuation allowance		6,044,000		5,962,000
Unrecognized deferred tax assets		(6,044,000)		(5,962,000)
Net deferred income tax assets	**$**	**-**	**$**	**-**

(Expressed in Canadian dollars)

NOTE 12 – INCOME TAX (cont'd)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2025	Expiry date range	2024	Expiry date range
Temporary differences				
Share issue costs	184,000	2026-2029	295,000	2025-2028
Allowable capital losses	164,000	No expiry date	65,000	No expiry date
Property and equipment	164,000	No expiry date	164,000	No expiry date
Exploration and evaluation assets	4,502,000	No expiry date	1,541,000	No expiry date
Non-Capital losses	17,294,000		16,908,000	
Canada	16,672,000	2026 to 2045	16,286,000	2026 to 2044
USA	622,000	No expiry date	622,000	No expiry date

Tax attributes are subject to review, and potential adjustment, by tax authorities.

NOTE 13 – SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the identification and evaluation of mineral resource properties.

NOTE 14 – MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options and warrants as capital (Note 8). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing business development efforts, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank. The Company is not subject to externally imposed capital requirements.

There has been no change in the Company's management of capital risk during the year ended March 31, 2025.

NOTE 15 – SUBSEQUENT EVENTS

On April 14, 2025, the Company's wholly owned subsidiary (Medallion Research USA, Inc.) entered into a lease agreement with C Bar B Properties Corporation, pursuant to which the Company has been granted a four-year lease, with exclusive option to purchase, two advanced-stage uranium exploration projects located in Utah and New Mexico, United States. The acquisition is subject to approval by the TSX Venture Exchange.

Key terms of the lease agreement

- Initial consideration:
    - US$50,000 upon signing (paid subsequently).
    - US$200,000 payable within 120 days of execution.
- Annual lease payments:
    - US$250,000 on each of the first, second and third anniversaries.
- Exclusive option to acquire a 100% interest in both project areas for a cash payment of US$1,800,000.
- The initial consideration and all annual lease payments are creditable toward the purchase price.
- Option exercisable at any time during the four-year lease term.
- No royalty or minimum work obligation:
    - No production royalty payable to the vendor.
    - No exploration or development spending commitments.

On July 15, 2025, the Company granted 50,000 options to a consultant and 50,000 options to an IR consultant at an exercise price of $0.11, exercisable for a period of five years. The consultant's options vest immediately and the IR consultant's options vest 25% every 3 months.

On July 16, 2025, the Company entered into the fourth amendments with the Holders of the promissory notes to extend the term and interest-free period to October 15, 2025. The principal sum of US$1,250,000 will be paid as follows:

a. US$750,000 on or before August 15, 2025.
b. US$250,000 on or before September 15, 2025.
c. Either
    i. US$200,000 on or before September 15, 2025 (US$50,000 reduction for early payment) or
    ii. US$250,000 on or before October 15, 2025.