CANTERRA MINERALS CORPORATION

TSX-V: CTM

Condensed Consolidated Interim Financial Statements

For the Three Months Ended

March 31, 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of Canterra Minerals Corporation (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CANTERRA MINERALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)
(Expressed in Canadian Dollars)

		March 31, 2025		**December 31, 2024**
ASSETS				
Current				
Cash and cash equivalents	$	3,586,431	$	4,889,161
Marketable securities (Note 3)		1,050,026		437,693
Receivables		120,063		134,034
Prepaid expenses (Note 8)		71,125		15,111
		4,827,645		5,475,999
Land use deposits (Note 5)		4,000		4,000
Mineral Properties (Note 6)		15,575,486		15,553,531
	$	20,407,131	$	21,033,530
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Notes 7,9)	$	612,879	$	321,909
Deferred flow-through premium (Note 4)		489,639		692,590
		1,102,518		1,014,499
Shareholders' equity				
Share capital (Note 10)		134,555,766		134,555,766
Reserves (Note 10)		2,901,135		2,877,346
Deficit		(118,152,288)		(117,414,081)
		19,304,613		20,019,031
	$	20,407,131	$	21,033,530

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved and authorized by the Board on May 29, 2025

"Chris Pennimpede"	*"Andrew Farncomb"*
Chris Pennimpede, CEO	Andrew Farncomb, Chairman

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

CANTERRA MINERALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)
(Expressed in Canadian Dollars)

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Expenses				
Business development	$	102,976	$	33,167
Insurance		4,790		4,660
Legal, audit and accounting		(9,640)		25,001
Consulting fees		22,200		108,600
Office and miscellaneous		27,504		3,451
Regulatory and transfer agent fees		18,734		11,929
Rent (Note 9)		25,386		6,567
Share-based compensation (Notes 9, 10c)		74,942		301,078
Travel		7,959		-
Wages and benefits (Note 9)		128,989		73,277
Exploration expenditures (Note 6)		1,213,831		650,918
		(1,617,491)		(1,218,648)
Flow-through premium (Note 4)		202,951		-
Interest income		12,847		13,556
Write-down of mineral properties (Note 6)		-		(10,985)
Unrealized gain (loss) on marketable securities (Note 3)		612,333		-
		828,131		2,571
Loss and comprehensive loss for the period	$	(789,360)	$	(1,216,077)
Basic and diluted loss per common share	$	(0.00)	$	(0.01)
Weighted average number of common shares outstanding – basic and diluted		343,321,385		148,815,125

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

CANTERRA MINERALS CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)
(Expressed in Canadian Dollars)

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Cash flows from operating activities				
Loss for the year	$	(789,360)	$	(1,216,077)
Items not affecting cash and cash equivalents:				
Share-based compensation		74,942		301,078
Unrealized gain on marketable securities		(612,333)		-
Flow-through premium		(202,951)		-
Gain on sale of mineral property		-		-
Write-down of mineral properties		-		10,985
Changes in non-cash working capital items:				
(Increase) decrease in receivables		13,971		(52,606)
Decrease (increase) in prepaid expenses		(56,016)		47,907
Increase in accounts payable and accrued liabilities		290,971		220,508
Net cash and cash equivalents used in operating activities		(1,280,776)		(688,205)
Cash flows from investing activities				
Acquisition of mineral properties		(21,955)		(3,311)
Net cash and cash equivalents used in investing activities		(21,955)		(3,311)
Cash flows from financing activities				
Share issuance costs		-		(10,054)
Net cash and cash equivalents provided by financing activities		-		(10,054)
Change in cash and cash equivalents during the period		(1,302,730)		(701,570)
Cash and cash equivalents, beginning of the period		4,889,161		1,821,239
Cash and cash equivalents, end of the period	$	3,586,431	$	1,119,669

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

CANTERRA MINERALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

(Expressed in Canadian Dollars)

	Share Capital								
	Number		Amount		Reserves		Deficit		Total
Balance, December 31, 2023	148,815,125	$	120,169,273	$	11,698,235	$	(114,283,093)	$	17,584,415
Share Issuance costs (Note 10b)	-		(10,054)		-		-		-
Share-based compensation (Note 10c)	-		-		301,078		-		301,078
Loss for the period	-		-		-		(1,216,077)		(1,216,077)
Balance, March 31, 2024	148,815,125	$	120,159,219	$	11,999,313	$	(115,499,170)	$	16,659,362
Balance, December 31, 2024	343,321,385	$	134,555,766	$	2,877,346	$	(117,414,081)	$	20,019,030
Share-based compensation (Note 10c)	-		-		74,942		-		74,942
Reserves transferred on cancelled options (Note 10c)	-		-		(51,153)		51,153		-
Loss for the period	-		-		-		(789,360)		(789,360)
Balance, March 31, 2025	343,321,385	$	134,555,766	$	2,901,135	$	(118,152,288)	$	19,304,612

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Canterra Minerals Corporation (the "Company") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company's head office and principal address is 580 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2200 – 885 W Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties, monetizing marketable securities or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2024.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2024 and have been consistently applied in the preparation of the Company's condensed consolidated interim financial statements.

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions about future events that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The most significant areas that require judgement and estimate as the basis for determining the stated amounts include going concern, the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts. Going concern and recoverability of mineral properties are discussed in Note 1.

Share-based Compensation Transactions

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income Taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. MARKETABLE SECURITIES

As at March 31, 2025 the Company holds the following common shares of public companies listed on the TSX Venture Exchange:

	March 31, 2025		**December 31, 2024**	
	# of shares	**Value**	**# of shares**	**Value**
Margaret Lake Diamonds Inc.	345	$ 26	345	$ 193
Star Diamond Corporation	17,500,000	1,050,000	17,500,000	437,500
		$ 1,050,026		$ 437,693

On August 1, 2024, the Company received 17,500,000 common shares of Star Diamond Corporation with a fair value of $1,050,000, related to the sale of the Buffalo Hills Project (Notes 14). The Company recognized an unrealized gain of $612,333 in the Company's consolidation statement of operations for the three months ended March 31, 2025 (March 31, 2024 - $nil).

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

4. DEFERRED FLOW-THROUGH PREMIUM

The Company's transactions related to the recognition of the flow-through premium liability are summarized below:

	March 31, 2025	December 31, 2024
Balance, beginning of the year	$ 692,590	$ -
Deferred premium liability recognized on flow-through	-	708,953
Income recognized based on corresponding eligible expenses	(202,951)	(16,363)
Balance, end of year	$ 489,639	$ 692,590

As at March 31, 2025, the Company has an obligation to spend $3,158,295 by December 31, 2025 (December 31, 2024 - $4,311,620 by December 31, 2025) in relation to flow-through proceeds.

5. LAND USE DEPOSITS

Land use deposits are interest-bearing and are held by major financial institutions on behalf of mining regulators. These deposits are held primarily for prospecting permits and will be released upon the Company incurring certain exploration expenditures on specific mineral properties. Land use deposits surrendered to mining regulators are expensed.

6. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, title to all of its properties are in good standing.

The Company holds interest in various mineral claims located in Canada, the acquisition costs of which are as follows:

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES *(continued)*

		March 31, 2025		December 31, 2024
Newfoundland, Canada				
Wilding Lake	$	**2,391,033**	$	**2,391,033**
A 100% interest (up to 3.5% NSR)				
Lemarchant		**2,046,985**		**2,039,985**
A 100% interest (up to 2.0% NSR)				
Buchans Mine		**8,216,681**		**8,211,371**
A 100% interest (up to 3.0% NSR)				
South Tally Pond		**1,219,982**		**1,219,982**
A 100% interest. Project amalgamated with Lemarchant in 2024.				
Tulks South		**959,326**		**955,726**
A 100% interest (up to 2.0% NSR on the Boomerang deposit). Project amalgamated with Boomerang in 2024.				
Lake Douglas		**383,366**		**383,171**
A 100% interest. Project amalgamated with Noel Paul in 2024.				
Silver Pond		-		-
A 100% interest				
Tulks North		**268,923**		**263,073**
A 100% interest (up to 1.5% NSR on Daniel's Pond deposit and up to 3.0% NSR on the Bobby's Pond deposit)				
Gander		-		-
A 100% interest				
Tulks Hill		**88,085**		**88,085**
A 100% interest (up to 3.5% NSR)				
Seal Pond		**1,105**		**1,105**
A 100% interest				
Ontario, Canada				
Ring of Fire		**-**		**-**
A 100% interest.				
Total Mineral Properties	**$**	**15,575,486**	**$**	**15,553,531**

Newfoundland, Canada

On December 17, 2020, the Company acquired Teton Opportunities Inc. ("Teton"), a private company incorporated under the laws of British Columbia, Canada which held an option agreement with Altius Resources Inc. ("Altius") for the Wilding Lake Project ("Wilding Lake") located in the Province of Newfoundland, Canada. The total purchase price of $2,042,533 was effected by way of share exchange whereby the Company issued 9,677,250 common shares and 4,398,750 warrants in exchange for all the issued and outstanding securities held by Teton shareholders. Teton is now a wholly owned subsidiary of the Company and the Company satisfied the option agreement to own 100% of the property. The property is subject to a 2% Net Smelter Return ("NSR") payable to Altius and 1.5% NSR payable

6. MINERAL PROPERTIES *(continued)*

to the original property owners. The Company may buyback 1% of the NSR held by the original property owners by payment of $1,000,000.

On November 15, 2021, the Company completed the previously announced acquisition of mineral rights to four resource staged projects in central Newfoundland, adding 67 km^2 to the Newfoundland property position. The projects were acquired from NorZinc Ltd. and its affiliate NorZinc-Newfoundland Ltd. ("NorZinc") for $250,000 in cash and 6,625,000 common shares valued at $1,788,750.

On April 18, 2022, the Company issued 250,000 shares to Sokoman Minerals Corp. as part of the East Alder agreement, with a fair value of $60,000. In the second quarter of 2022, the Company staked additional ground at Wilding Lake for $22,750 and at Noel-Paul for $2,535.

On April 18, 2023, the Company issued 250,000 shares to Sokoman Minerals Corp. as part of the East Alder agreement, with a fair value of $15,000, and a further 100,000 shares, with a fair value of $6,000 on June 27, 2023, as part of an amendment to the East Alder agreement. In the third quarter of 2023, the Company paid holding costs at Noel Paul for $1,600.

On December 20, 2023, the Company completed an asset purchase agreement (the "APA") with Buchans Resources Limited and its subsidiary Buchans Minerals Corporation, whereby various critical and precious metals projects in central Newfoundland were acquired for total consideration of $11,509,816 consisting of 24,910,000 common shares valued at $1,868,250 and warrants to acquire 128,554,216 common shares valued at $9,641,566 (note 10b).

On August 2, 2024, the Company entered into an option agreement with local prospectors ("Optionors") to acquire a 100% interest in adjacent properties to the Company's Tulks North (Victoria Project). Pursuant to the terms of the agreement, the Company must make cash payments and issue common shares of the Company to the Optionors over two years as follows:

- $10,000 and 100,000 shares of the Company upon execution of the agreement (completed in 2024)
- $20,000 and 200,000 shares of the Company on or before the first anniversary of the agreement (August 2025)
- $30,000 and 300,000 shares of the Company on or before the second anniversary of the agreements (August 2026).

The agreement assigns a 2% Net Smelter Return ("NSR") to the Optionors upon commencement of production, with the Company retaining right to buy-down 50% of the NSR for $1,000,000 and right of first refusal on the remaining NSR (1%). This agreement was subsequently terminated on May 1, 2025.

Ontario, Canada

The Company holds 100% interest in the Ring of Fire property which was staked in July 2023 for $7,650. On September 17, 2024, the Company entered into an Option Agreement (the "Agreement") with Teck Resources Limited ("Teck"), granting Teck the option to acquire a 100% interest in the Ring of Fire project. Under the terms of the Agreement, Teck may, at its option, elect to exercise the Option by paying the Company $275,000 in cash according to the following payment schedule:

- payment of $50,000 payable on or before two days following the date of the Agreement (paid September 19, 2024);

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

6. MINERAL PROPERTIES *(continued)*

- payment of $125,000 payable on or before two business days following the date upon which Teck has obtained all regulatory permits and access rights to commence drilling; and
- payment of $100,000 payable on or before thirty business days following the earliest to occur of the Drill Program Completion Date and September 17, 2026.

Canterra will retain a 1.5% Net Smelter Returns ("NSR") royalty that can be reduced to 0.5% with a further payment of $2,000,000 to Canterra.

During the three months ended March 31, 2025, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for the year
NEWFOUNDLAND						
Wilding Lake	$ -	$ -	$ -	$ 1,841	$ -	**$ 1,841**
Noel-Paul	-	-	45,600	14,551	-	**60,151**
Boomerang	2,375	-	-	20,361	-	**22,735**
Buchans Mine	781,748	217,539	-	116,800	-	**1,116,087**
Silver Pond	-	-	-	941	-	**941**
Tulks North	-	-	5,665	4,714	-	**10,379**
Victoria Mine	-	-	-	1,696		**1,696**
	$ 784,123	**$ 217,539**	**$ 51,265**	**$ 160,904**	**$ -**	**$ 1,213,831**

During the three months ended March 31, 2024, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Drilling	Land Use & Tenure	Data Evaluation	Recoveries	Total for the period
NEWFOUNDLAND						
Boomerang	$ 2,488	$ 5,920	$ 26,362	$ -	$ -	**$ 34,770**
Buchans	2,550	-	-	33,700	-	**36,250**
Lemarchant	1,797	377,542	42,781	31,291	-	**453,411**
Long Lake	59,687	-	2,972	8,484	-	**71,143**
Tulks	39,879	-	10,131	5,334	-	**55,344**
	$ 106,401	**$ 383,462**	**$ 82,246**	**$ 78,809**	**$ -**	**$ 650,918**

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	March 31, 2025	December 31, 2024
Accounts payables	$ 283,499	$ 107,525
Accrued liabilities	329,380	214,384
Total	**$ 612,879**	**$ 321,909**

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

8. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits are as follows:

	March 31, 2025	December 31, 2024
Exploration prepaids	$ 60,000	$ -
Conferences, investor relations, and insurance	11,125	15,111
Total	**$ 71,125**	**$ 15,111**

9. RELATED PARTY TRANSACTIONS

Key Management Personnel and Directors

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management personnel for services rendered are as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Consulting fees	$ -	$ 42,000
Wages & Benefits	99,005	45,964
Share-based compensation(1)	67,411	94,828
Total	**$ 166,416**	**$ 182,792**

(1) Represents the fair-value of stock options, RSUs and DSUs granted to officers.

Amounts paid or payable to related entities to the Company:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Rent	$ -	$ 4,020
Accounting, investor relations, geology & other	-	6,000
Total	**$ -**	**$ 10,020**

Included in accounts payable and accrued liabilities at March 31, 2025 is $88,750 (December 31, 2024 - $60,000) due to related parties.

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares are fully paid.

10. SHARE CAPITAL AND RESERVES *(continued)*

b) Issued share capital

The Company did not issue any common shares during the three months period ended March 31, 2025.

During the year ended December 31, 2024, the Company issued 128,689,380 common shares on exercise of warrants with a value of $9,657,192, 1,738,151 common shares on exercise of stock options with a value of $119,333, and 100,000 common share related to a property option agreement with a fair value of $5,000.

On December 19, 2024, the Company completed a non-brokered private placement and issued 34,143,517 flow-through shares at $0.12 and 5,000,000 units at $0.10 for total gross proceeds of $4,597,222. Each unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.15 until December 19, 2027. The Warrants were valued at $137,380 and allocated to reserves. The Company paid $260,330 in share issuance costs, with $38,203 being allocated to the flow-through premium, and issued an aggregate of 1,892,180 finder's warrants to arm's length parties valued at $151,622 (Note 10d). The Company recognized a deferred flow-through premium of $644,667 related to the flow-through portion of the financing.

On June 27, 2024, the Company completed a non-brokered private placement and issued 4,285,714 flow-through shares at $0.07 for gross proceeds of $300,000, and a LIFE Offering consisting of 20,549,498 units at a price of $0.06 for gross proceeds of $1,232,970. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of $0.09 until June 27, 2026. The warrants were valued at $308,541 and we allocated to reserves. The Company paid $61,351 in share issuance costs and issued an aggregate of 508,140 finder's warrants to arm's length parties valued at $20,286 (Note 10d). The Company recognized a deferred flow-through premium of $64,286 related to the flow-through portion of the financing.

c) Omnibus incentive plan

The Company adopted a new omnibus incentive plan (the "New Plan") on June 11, 2024. The New Plan is a "rolling up to 10%" share-based compensation plan that allows the board of directors ("the Board") to grant stock options ("Options"), restricted share units ("RSUs") and deferred share units ("DSUs") of the Company (collectively, "Awards") to directors, officers, employees and consultants to acquire up to 10% of the Company's issued and outstanding common shares. Awards issued non-assignable and non-transferrable and are subject to vesting terms determined by the Board with RSUs and DSUs not vesting until at least 12 months from the date of grant. Options may be granted for a term not exceeding that permitted by the Exchange, currently ten years and the exercise price shall be determined by the Board but shall not be less than the market value of the Company' common shares at the time of grant.

i) Stock options

As at March 31, 2025, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

Number of Options	Exercise Price	Expiry Date
1,712,500	$0.34	March 19, 2026
1,887,500	$0.31	October 18, 2026
2,850,000	$0.07	May 11, 2028
250,000	$0.07	June 7, 2028
2,670,000	$0.08	February 9, 2029
100,000	$0.07	March 18, 2029
200,000	$0.05	September 17, 2029
390,000	$0.10	December 30, 2029
5,830,125	$0.08	February 20, 2030
15,890,125		

Stock option transactions are summarized as follows:

	March 31, 2025		December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the year	11,548,151	$ 0.15	7,190,000	$ 0.21
Granted	5,830,125	0.08	6,436,302	0.08
Exercised	-	-	(1,738,151)	0.07
Expired/cancelled/forfeited	(1,488,151)	0.07	(340,000)	0.32
Balance outstanding, end of the period	15,890,125	$0.13	11,548,151	$ 0.15
Options exercisable, end of the period	10,060,000	$0.10	10,804,076	$ 0.16

The weighted average remaining contractual life of unexercised options was 3.54 (2024 – 2.98) years.

On January 1, 2025, the Company cancelled and forfeited 1,488,151 stock options and reversed $38,364 out of stock based compensation expense due to the termination of a service contract.

On February 20, 2025, the Company granted 5,830,125 stock options at a price of $0.08 with 1,940,000 stock options vesting one-third every year, starting one year from the date of grant and 3,890,125 stock options with one-quarter vesting every 3 months, starting three months from the date of grant.

For the three months ended March 31, 2025, $82,750 was expensed as stock-based compensation related to stock options (March 31, 2024: $301,078). The following assumptions were used for the Black-Scholes valuation of stock options granted during the year:

	2025	2024
Risk-free interest rate	2.91%	1.91-3.63%
Expected life of options	5.0 years	5.0 years
Annualized volatility	197.1%	192.0-211.8%
Weighted average FV	$0.08	$0.08
Expected dividend rate	0%	0%

For the three months ended March 31, 2025 (Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES *(continued)*

ii) Deferred share units

On February 20, 2025, the Company granted 1,125,000 DSUs to certain directors and $25,081 was recognized as stock-based compensation expense in the three months ended March 31, 2025 (March 31, 2024: $Nil).

iii) Restricted share units

On February 20, 2025, the Company granted 984,375 RSUs to certain officers and $5,475 was recognized as stock-based compensation expenses in the three months ended March 31, 2025 (March 31, 2024: $Nil).

d) Warrants

As at March 31, 2025, the Company had outstanding share purchase warrants, enabling the holders to acquire further common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
20,783,600	$0.075	April 24, 2028
1,250,781	$0.065	December 20, 2025
508,140	$0.06	June 27, 2026
10,149,749	$0.09	June 27, 2026
2,500,000	$0.15	December 19, 2027
1,892,180	$0.10	December 19, 2027
37,084,450		

Share purchase warrant transactions were as follows:

	March 31, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the year	37.084,450	$0.08	150,598,761	$0.01
Issued	-	-	15,175,069	0.10
Exercised	-	-	(128,689,380)	-
Balance outstanding, end of the year	37,084,450	$0.08	37,084,450	$0.08
Warrants exercisable, end of the year	37,084,450	$0.08	37,084,450	$ 0.08

At March 31, 2025, the weighted average remaining contractual life of the unexercised warrants was 2.42 (2024 – 2.67) years.

11. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada. All of the Company's capital assets are located in Canada.

12. 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 fair value of marketable securities is measured based on level 1 of the fair value hierarchy. The fair values of cash and cash equivalents, receivables, land use deposits and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk - Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company manages credit risk by carrying short-term investments, if any, with investment grade ratings. The Company's receivables consist primarily of sales tax receivable due from federal and provincial government agencies and receivables from exploration partners with whom the Company has established credit policies. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company is not exposed to any significant interest rate risk.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk - The Company is exposed to price risk with respect to commodity, equity and marketable security prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the acquisition and exploration 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. The Company defines capital that it manages as shareholders equity, consisting of common shares, stock options and warrants. There were no changes in the Company's approach to capital management during the three months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

14. SALE OF BUFFALO HILLS

On August 1, 2024, the Company completed the sale of the Buffalo Hills Diamond Project (the "Project") located in north central Alberta, Canada to Star Diamond Corporation (TSX: DIAM) ("Star Diamond"), whereby Star Diamond acquired 100% interest in the Project from the Company. The Company sold its interest in the Project to Star Diamond in exchange for an aggregate nominal consideration of 17,500,000 common shares (the "Consideration Shares") of Star Diamond, representing an implied purchase price of $1.05 million. One half of the Consideration Shares are subject to a 12-month lock-up period and all of the Consideration Shares were subject to a customary four-month hold period. The Company also received a 1% royalty interest in the Project in addition to the Consideration Shares. Star Diamond may buyback 0.5% of the NSR by payment of $1,000,000 to the Company. The Company recognized a gain of $1,035,000 net of selling costs in relation to the sale.

15. SUBSEQUENT EVENTS

On April 22, 2025, the Company granted 383,866 stock options with an exercise price of $0.075 for 5 years to a consultant.