FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended February 28, 2025 and February 29, 2024

(Expressed in Canadian dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Note	February 28, 2025	November 30, 2024
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	3	4,139,929	4,411,187
Receivables		20,011	41,504
Prepaid expenses and deposits		50,202	37,113
Total current assets		4,210,142	4,489,804
Non-current assets			
Advances for exploration and evaluation activities		7,099	7,099
Property, plant and equipment		15,572	17,277
Exploration and evaluation assets	4	26,595,203	26,405,534
		26,617,874	26,429,910
TOTAL ASSETS		30,828,016	30,919,714
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5,6	425,276	343,937
Warrant liabilities	7	138,105	134,011
Total current liabilities		563,381	477,948
SHAREHOLDERS' EQUITY			
Share capital	7	40,063,263	40,063,263
Reserves	7	2,461,794	2,406,780
Deficit		(12,260,422)	(12,028,277)
Total Shareholders' Equity		30,264,635	30,441,766
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		30,828,016	30,919,714

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)

Approved by the Board of Directors on March 27, 2025:

"Simon Marcotte"	*"Victor Cantore"*
Simon Marcotte, Director	Victor Cantore, Director

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

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended February 28, 2025	Three months ended February 29, 2024
		$	$
EXPENSES			
Bank charges		574	424
Consulting	6	174,625	216,901
General and administrative		14,350	22,316
Marketing fees		9,198	15,929
Professional fees		42,816	43,215
Regulatory and filing fees		17,262	22,851
Share-based compensation	6,7	55,014	-
Net loss before other items		(313,839)	(321,636)
Other items			
Fair value gain (loss) on liability warrants	7	(4,094)	650,160
Interest on lease payable		-	(379)
Interest and other income		35,824	20,720
Foreign exchange		49,964	(1,317)
		81,694	669,184
Net loss and comprehensive loss		(232,145)	347,548
Basic and diluted loss per common share		(0.00)	0.00
Weighted average number of common shares outstanding - basic and fully diluted		191,751,484	131,751,484

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

FREEMAN GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Share Capital				
	Note	Number of shares outstanding	Amount	Reserves	Deficit	Total shareholders' equity
			$	$	$	$
Balance at November 30, 2023		131,751,484	36,313,958	4,245,090	(13,654,144)	26,904,904
Net earnings for the period		-	-	-	347,548	347,548
Balance at February 29, 2024		131,751,484	36,313,958	4,245,090	(13,306,596)	27,252,452
Shares issued pursuant to private placement financing	7	60,000,000	2,502,756	1,097,244	-	3,600,000
Share issuance costs	7	-	(30,896)	-	-	(30,896)
Expiry of warrants	7	-	1,277,445	(1,277,445)	-	-
Cancellation of stock options	7	-	-	(1,658,109)	1,658,109	-
Net loss for the period		-	-	-	(379,790)	(379,790)
Balance at November 30, 2024		191,751,484	40,063,263	2,406,780	(12,028,277)	30,441,766
Issuance of stock options	7	-	-	55,014	-	55,014
Net loss for the period		-	-	-	(232,145)	(232,145)
Balance at February 28, 2025		191,751,484	40,063,263	2,461,794	(12,260,422)	30,264,635

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

FREEMAN GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Three months ended February 28, 2025	Three months ended February 29, 2024
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(232,145)	347,548
Items not affecting cash:		
Fair value (gain) loss on warrant liabilities	4,094	(650,160)
Share-based compensation	55,014	-
Foreign exchange	(49,502)	1,370
Interest on lease	-	379
Changes in non-cash working capital items:		
Receivables	21,493	(7,250)
Prepaid expenses and deposits	(13,089)	4,080
Accounts payable and accrued liabilities	44,726	122,285
Cash used in operating activities	(169,409)	(181,748)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for exploration and evaluation assets	(151,351)	(75,334)
Cash used in investing activities	(151,351)	(75,334)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	-	(19,718)
Cash used in financing activities	-	(19,718)
Change in cash and cash equivalents during the period	(320,760)	(276,800)
Effect of exchange rate changes on cash	49,502	(1,267)
Cash and cash equivalents, beginning of period	4,411,187	2,331,534
Cash and cash equivalents, end of period	4,139,929	2,053,467
Supplemental Cash Flow Information:		
Interest income received	67,837	86,702
Evaluation and exploration assets included in accounts payable	40,872	33,200
Depreciation of property, plant and equipment included in exploration and evaluation assets	1,705	20,405

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

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Freeman Gold Corp. (the "Company") was incorporated in the Province of British Columbia on October 24, 2018, under the Business Corporations Act of British Columbia. The Company is in the business of exploring exploration and evaluation assets. The Company's registered office is Suite 1500 – 1055 W. Georgia Street, Vancouver BC V6E 4N7 and its business office is located at Suite 2125 West Georgia Street, Vancouver BC V6E 3P3. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "FMAN".

On April 16, 2020, (the "Closing Date"), the Company completed a share exchange transaction (the "RTO") with 1132144 B.C. Ltd. ("113BC"), the parent company of Lower 48 Resources Inc. ("Lower 48 BC") and Lower 48 Resources (Idaho) LLC ("Lower 48"), whereby the Company acquired all of the issued and outstanding common shares of 113BC through the issuance of 33,740,000 common shares of the Company, subject to escrow terms to 113BC's shareholders. Additionally, the Company issued 3,500,000 common shares as finder fee shares to an arm's length finder that facilitated the RTO. Prior to the Closing Date, 14,257,770 common shares of the Company were outstanding. Following the Closing Date, 51,497,770 common shares of the Company were outstanding, with 66% of the Company's shares held by shareholders of 113BC.

Management determined that the RTO transaction constituted a reverse acquisition for accounting purposes whereby 113BC acquired the Company. For accounting purposes, 113BC is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As 113BC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed consolidated interim financial statements at their historical carrying values. The Company's results of operations are included from the Closing Date.

On November 30, 2022, the Company amalgamated all of its Canadian subsidiaries leaving its sole remaining subsidiary, Lower 48.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis 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. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at February 28, 2025, the Company has an accumulated deficit of $12,260,422, working capital of $3,784,866 and negative cash flow from operating activities of $169,409. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and energy crises, may create further uncertainty with respect to the Company's ability to execute its business plans.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance

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

b) Basis of preparation

These condensed consolidated interim financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS for each type of asset, liability, income and expense as set out in the accounting policies below.

c) Functional and presentation currency

The presentation and functional currency of the Company and its subsidiary is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, and its wholly owned subsidiary Lower 48 (see Note 1). Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the condensed consolidated interim financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

e) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting judgments

Impairment of exploration and evaluation assets
Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Significant accounting estimates and judgments (continued)

Going concern assessment
Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

The analysis of the functional currency for each entity of the Company
In concluding that the Canadian dollar is the functional currency of the parent and the subsidiary company, management considered the currency in which expenditures are incurred for each jurisdiction in which the Company operates. Management also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and the degree of autonomy the foreign operation has with respect to operating activities.

There were no critical accounting estimates made in the preparation of these condensed consolidated interim financial statements.

f) New accounting standards issued but not yet effective

Certain new accounting standards or interpretations have been published including IFRS 18 – "Presentation and Disclosure in Financial Statements", that are not mandatory for the current period and have not been early adopted. The Company has not yet evaluated the effect that the new standards will have on the condensed consolidated interim financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	February 28, 2025	November 30, 2024
	$	$
Cash	1,535,912	204,669
Redeemable GIC in Canadian dollars including accrued interest	1,872,238	2,632,870
Redeemable GIC in US dollars including accrued interest	731,779	1,573,648
Total cash and cash equivalents	4,139,929	4,411,187

(Expressed in Canadian dollars, unless otherwise noted)

4. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets for the period ended February 28, 2025 and year ended November 30, 2024 are as follows:

Period ended February 28, 2025	$
Property acquisition costs	
Balance at November 30, 2024 and February 28, 2025	6,193,371
Exploration and evaluation costs	
Balance at November 30, 2024	20,212,163
Costs incurred during the period:	
Depreciation of equipment	1,705
Assaying and sampling	2,100
Geology	35,820
Metallurgy	1,072
Permitting	27,105
Resource estimate	121,867
	20,401,832
Balance at February 28, 2025	26,595,203

Year ended November 30, 2024	$
Property acquisition costs	
Balance at November 30, 2023	5,995,165
Claim maintenance costs	94,271
Option payment	103,935
Balance at November 30, 2024	6,193,371
Exploration and evaluation costs	
Balance at November 30, 2023	19,740,072
Costs incurred during the year:	
Depreciation of equipment, vehicles and right of use asset	42,268
Archaeology	39,280
Assaying and sampling	28,586
Fees and taxes	1,246
Geology	78,294
Metallurgy	877
Permitting	301,134
Resource estimate	(19,594)
	20,212,163
Balance at November 30, 2024	26,405,534

(Expressed in Canadian dollars, unless otherwise noted)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Lemhi Property

On October 16, 2019, the Company entered into an option agreement and acquired 100% of the rights and interest in certain mining claims located in Lemhi County, Idaho for USD $1,615,000 ($1,872,002).

On August 19, 2019, the Company entered into an option agreement to acquire a 100% interest in an additional 46 unpatented mining claims located in Lemhi County, Idaho. In order to exercise the option, the Company is required to make the following payments:

i) USD $75,000 within 3 days of the effective date (paid - $101,475);
ii) USD $50,000 on or before the first anniversary of the effective date (paid - $67,531);
iii) USD $50,000 on or before the second anniversary of the effective date (paid - $62,772);
iv) USD $50,000 on or before the third anniversary of the effective date (paid - $64,415);
v) USD $75,000 on or before the fourth anniversary of the effective date (paid - $100,822);
vi) USD $75,000 on or before the fifth anniversary of the effective date; (paid - $103,935)
vii) USD $75,000 on or before the sixth anniversary of the effective date; and
viii) USD $550,000 on or before the seventh anniversary of the effective date.

On September 8, 2020, the Company acquired and extinguished a back-in right from Yamana Gold Inc. (“Yamana”) over the Lemhi Project for the issuance of 4,035,273 common shares with a fair value of $2,098,342. In connection with the transaction the Company issued finder’s fees consisting of 260,000 common shares of the Company with a fair value of $135,200.

On September 15, 2020, the Company acquired 100% ownership of the Moon #100 and Moon #101 unpatented mining claims (“Moon Claims”), located within the Lemhi project for cash consideration of $199,950 (US $150,000) and the issuance of 375,000 common shares of the Company. On June 23, 2021, this agreement was revised, requiring the payment of an additional USD $100,000 ($124,546) (paid). On June 6, 2022, the Company issued 375,000 shares with a fair value of $163,125 to complete the acquisition.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28, 2025	November 30, 2024
	$	$
Accounts payable	87,776	6,437
Accrued liabilities (Note 6)	337,500	337,500
	425,276	343,937

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel include those individuals 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 consist of members of the Company's Board of Directors and senior corporate officers. The Company entered into the following transactions with related parties during the periods ended February 28, 2025 and February 29, 2024:

(Expressed in Canadian dollars, unless otherwise noted)

6. RELATED PARTY TRANSACTIONS (Continued)

Period ended	February 28, 2025	February 29, 2024
	$	$
Consulting fees paid to a company controlled by the former CEO	-	56,250
Consulting fees paid to the CFO/CEO and to a company controlled by the CFO/CEO	86,250	86,250
Fees paid to VP, Exploration included in exploration and evaluation assets	12,000	48,000
Consulting fees paid to a company controlled by the Executive Chairman	56,250	56,250
Share-based compensation paid to officers and directors	19,931	-
	174,431	246,750

Included in accounts payable at February 28, 2025 is $337,500 (November 30, 2024 - $337,500) owing to related parties. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

On July 23, 2021, the Company issued 1,000,000 RSU's to the Chief Financial Officer and to the Executive Chairman of the board. The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold;
2) The participant resigns;
3) The participant is terminated without cause; or
4) The participant is otherwise unable to perform services for the Company.

These RSU's expired unvested on July 23, 2024.

On June 22, 2022, the Company issued 150,000 RSU's to two directors of the Company. The RSUs expire three years from the date of issue and vest upon the occurrence of any one of the following events:

1) The Company is sold; or
2) The participant ceases to perform as director or is otherwise unable to perform services for the Company.

(See Note 7).

7. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Common share transactions

On October 16, 2024, the Company completed a non-brokered private placement financing of 60,000,000 Units of the Company ("Unit") at a price of $0.06 per Unit for aggregate gross proceeds of $3.6 million. Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant that entitles the holder thereof to acquire one common share of the Company at a price of $0.08 per share for a period of nine months from the date of issue.

There were no common share transactions for the period ended February 28, 2025.

(Expressed in Canadian dollars, unless otherwise noted)

7. SHARE CAPITAL (Continued)

c) Warrants

The following is a summary of the Company's warrant transactions for the year ended November 30, 2024:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance at November 30, 2023	30,668,496	0.68
Issued	60,000,000	0.08
Expired	(11,537,692)	0.35
Balance at November 30, 2024 and February 28, 2025	79,130,804	0.29

Warrants outstanding at February 28, 2025 and November 30, 2024 are as follows:

	Exercise Price ($)	Number of Warrants	Expiry Date
Equity Warrants	0.08	60,000,000	July 16, 2025
Liability Warrants	*0.94	19,130,804	November 29, 2026
		79,130,804	

*The liability warrants are exercisable at US$0.65 (CAD$0.94).

The remaining life of equity warrants is 0.38 years, and the remaining life of liability warrants is 1.75 years.

The liability warrants were valued based on the closing market price at February 28, 2025 resulting in a fair value loss of $4,094 (period ended February 29, 2024 – fair value gain of $650,160) recorded in the condensed consolidated interim statement of loss and comprehensive loss for the current period.

d) Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with Exchange policies, grant to directors, officers and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares issued and outstanding from time to time. Such options are non-transferable and are exercisable at a price per share not below the closing traded price on the date of grant for a period of up to ten years from the date of grant.

(Expressed in Canadian dollars, unless otherwise noted)

7. SHARE CAPITAL (Continued)

d) Stock Options (continued)

The following is a summary of the Company's stock option transactions for the period ended February 28, 2025, and year ended November 30, 2024:

	Number of Options	Weighted Average Exercise Price $
Balance November 30, 2023	9,575,000	0.41
Cancelled	(5,125,000)	0.43
Balance November 30, 2024	4,450,000	0.38
Granted	500,000	0.11
Balance February 28, 2025	4,950,000	0.32
Exercisable at February 28, 2025	4,950,000	0.32

The fair value of the stock options granted during the period ended February 28, 2025 was estimated using the Black-Scholes pricing model with the following assumptions:

	February 28, 2025	February 29, 2024
Risk-free interest rate	2.92%	-
Expected life of options (years)	5	-
Stock price on date of grant	0.10	-
Annualized volatility	84.6%	-
Dividend rate	Nil	-

The fair value of options issued was $0.0664 (February 29, 2024 - $Nil).

During the periods ended February 28, 2025, and February 29, 2024, the Company incurred $55,014 and $Nil respectively, in share-based compensation expense related to the vesting and repricing of stock options.

Stock options outstanding at February 28, 2025 are as follows:

Exercise Price ($)	Number of Shares Issuable on Exercise	Expiry Date
0.60	300,000	May 27, 2025
0.60	300,000	October 6, 2025
0.40	275,000	August 31, 2026
*0.11	650,000	February 1, 2027
0.50	600,000	February 1, 2027
0.25	2,325,000	February 10, 2028
0.11	500,000	December 2, 2029
	4,950,000	

*During the period ended February 28, 2025, these options were repriced from $0.50 per share to $0.11 per share. Share based compensation of $21,795 was incurred as a result of the repricing.

The weighted average remaining life of stock options is 2.50 years.

7. SHARE CAPITAL (Continued)

e) Restricted Share Units

During the year ended November 30, 2021, the Company adopted a restricted share unit ("RSU) plan to promote and advance the interests of the Company by (i) providing eligible persons (as defined in the RSU plan) with additional incentive through an opportunity to receive discretionary bonuses in the form of shares of the Company, (ii) encouraging stock ownership by such eligible persons, (iii) increasing the proprietary interest of eligible persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate eligible persons.

The proposed RSU plan provides that RSU's may be granted by the Board or a committee or member of the Board as the administrator of the RSU plan, to directors, officers, employees, and consultants of the Company. The maximum number of shares made available for issuance pursuant to the RSU plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the shares issued and outstanding from time to time, less any shares reserved for issuance under all other share compensation arrangements (including the Company's stock option plan). Due to uncertainties related to the amount and timing of the future settlement of the RSU's, no value has been assigned to the RSU's as of February 28, 2025. (See Note 6).

8. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, and currency risk. The carrying value of the Company's financial instruments approximates their fair value due to their short-term nature. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

At February 28, 2025, the fair values of the Company's warrant liabilities and cash and cash equivalents are based on Level 1 measurements. The fair values of other financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt. The only interest-bearing assets are redeemable guaranteed investment certificates which mature within one year. As such, the Company has minimal interest rate risk.

Credit risk: Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and redeemable GIC's, which are held with a high-credit financial institution. As such, the Company's credit exposure is minimal.

Liquidity risk: Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

8. FINANCIAL INSTRUMENTS (Continued)

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange. As of February 28, 2025, the Company has US dollar denominated assets of $1,694,772 and US dollar denominated liabilities of $970. Based on this net US dollar exposure, at February 28, 2025, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net income or loss by $169,380.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity. The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

There were no changes in the Company's approach to capital management during the three months ended February 28, 2025.