ASTON BAY

# Consolidated Financial Statements

**Years Ended March 31, 2025 and 2024**

**(Expressed in Canadian Dollars)**

# Independent Auditor's Report

To the Shareholders of Aston Bay Holdings Ltd.:

## Opinion

We have audited the consolidated financial statements of Aston Bay Holdings Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and March 31, 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2025 and March 31, 2024, and its consolidated financial performance and its consolidated 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 audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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 that there are no other key audit matters to communicate in our report.

**MNP LLP**
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## Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 as issued by the International Accounting Standards Board, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Charanjot Singh Bindra.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

July 28, 2025 — Licensed Public Accountants

ASTON BAY

**Consolidated Statements of Financial Position**
**(Expressed in Canadian Dollars)**

| As at | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash | **$1,426,275** | $552,894 |
| Sales tax recoverable | **43,285** | 17,191 |
| Prepaid expenses | **42,664** | 95,149 |
| **Total current assets** | **$1,512,224** | $665,234 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | **$170,326** | $413,895 |
| Loan payable *(note 4)* | **—** | 644,778 |
| **Total current liabilities** | **170,326** | 1,058,673 |
| **Shareholders' equity (deficiency)** | | |
| Share capital *(note 6)* | **24,922,058** | 22,331,458 |
| Contributed surplus | **7,331,504** | 6,227,535 |
| Accumulated other comprehensive income | **(74,951)** | (75,911) |
| Deficit | **(30,836,713)** | (28,876,521) |
| **Total shareholders' equity (deficiency)** | **1,341,898** | (393,439) |
| | | |
| **Total liabilities and shareholders' equity (deficiency)** | **$1,512,224** | $665,234 |

**Nature of Operations and Going concern** *(note 1)*
**Commitments** (*note 9*)
**Subsequent event** *(note 12)*

Approved by the Board
Signed:

*"Thomas Ullrich"* — Director

*"Jessie Liu-Ernsting"* — Director

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

ASTON BAY

**Consolidated Statements of Changes in Equity**
**For the years ended March 31, 2025 and 2024**
**(Expressed in Canadian Dollars)**

| | Share Capital | | Reserves | Equity (Deficiency) | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Amount | Contributed Surplus | Accumulated Other Comprehensive Loss | Deficit | Total Shareholders' Equity |
| **Balance - March 31, 2023** | **178,453,594** | **$19,581,934** | **$4,004,262** | **$(64,335)** | **$(25,588,060)** | **$(2,066,199)** |
| Private placement | 31,297,375 | 2,503,790 | — | — | — | **2,503,790** |
| Options exercise | 7,375,000 | 976,668 | (421,168) | — | — | **555,500** |
| Warrants exercise | 4,876,000 | 633,365 | (48,245) | — | — | **585,120** |
| Issuance of warrants | — | (1,096,841) | 1,096,841 | — | — | **—** |
| Share issuance costs | — | (267,458) | (110,355) | — | — | **(377,813)** |
| Share-based compensation | — | — | 1,706,200 | — | — | **1,706,200** |
| Currency translation | — | — | — | (11,576) | — | **(11,576)** |
| Loss for the year | — | — | — | — | (3,288,461) | **(3,288,461)** |
| **Balance - March 31, 2024** | **222,001,969** | **$22,331,458** | **$6,227,535** | **$(75,911)** | **$(28,876,521)** | **$(393,439)** |
| Private placement | 17,056,333 | 2,046,760 | — | — | — | **2,046,760** |
| Issuance of warrants | — | (868,145) | 868,145 | — | — | **—** |
| Flow-through private | 13,891,333 | 2,083,700 | — | — | — | **2,083,700** |
| Share issuance costs | — | (215,062) | 28,891 | — | — | **(186,171)** |
| Deferred FT premium | — | (456,653) | — | — | — | **(456,653)** |
| Share-based compensation | — | — | 206,933 | — | — | **206,933** |
| Currency translation | — | — | — | 960 | — | **960** |
| Loss for the year | — | — | — | — | (1,960,192) | **(1,960,192)** |
| **Balance - March 31, 2025** | **252,949,635** | **$24,922,058** | **$7,331,504** | **$(74,951)** | **$(30,836,713)** | **$1,341,898** |

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

ASTON BAY

**Consolidated Statements of Operations and Comprehensive Loss**
**(Expressed in Canadian Dollars)**

| For the years ended | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Operating Expenses** | | |
| Exploration and evaluation expenses - net *(note 3)* | **$2,474,994** | $308,599 |
| Management compensation *(note 4)* | **366,042** | 308,750 |
| Investor relations and business development | **362,070** | 424,267 |
| Professional fees | **129,186** | 83,305 |
| Consulting fees *(note 4)* | **111,741** | 104,549 |
| Office and administrative expenses | **109,803** | 105,418 |
| Travel | **61,783** | 36,707 |
| Regulatory and transfer agent fees | **35,852** | 73,364 |
| Share-based compensation *(notes 4 and 6)* | **206,933** | 1,706,200 |
| **Loss before other items** | **3,858,404** | 3,151,159 |
| **Other items** | | |
| Foreign exchange (gain) loss | **(52,283)** | 2,213 |
| Interest (income) expense | **(9,076)** | 135,089 |
| Royalty income *(note 3)* | **(1,380,200)** | — |
| Premium on flow-through shares *(note 5)* | **(456,653)** | — |
| **Net loss** | **$1,960,192** | $3,288,461 |
| **Currency translation adjustment** | **(960)** | 11,576 |
| **Comprehensive loss** | **$1,959,232** | $3,300,037 |

| | | |
|---|---|---|
| **Loss per share** - basic and diluted | **$0.01** | $0.02 |
| **Weighted average number of common shares outstanding** | **247,895,937** | 200,992,255 |

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

**Consolidated Statements of Cash Flows**
**(Expressed in Canadian Dollars)**

| For the years ended | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Cash flow generated used in operating activities** | | |
| Net loss for the year | **$(1,960,192)** | $(3,288,461) |
| Items not affecting cash: | | |
| Premium on flow-through shares expenditures | **(456,653)** | — |
| Share-based compensation | **206,933** | 1,706,200 |
| Loan interest | **15,562** | 112,553 |
| | **(2,194,350)** | (1,469,708) |
| Non-cash working capital items *(note 10)* | **(217,178)** | (986,170) |
| | **(2,411,528)** | (2,455,878) |
| **Cash flow from financing activities** | | |
| Proceeds from the issuance of units | **2,046,760** | 2,503,790 |
| Proceeds from the issuance of flow-through shares | **2,083,700** | — |
| Proceeds from the exercise of options and warrants | **—** | 1,140,620 |
| Share issuance costs | **(186,171)** | (377,813) |
| Loan repayment *(note 4)* | **(660,340)** | (250,000) |
| | **3,283,949** | 3,016,597 |
| **Effects of changes in foreign exchange** | **960** | (11,576) |
| **Increase in cash** | **$873,381** | $549,143 |
| **Cash, beginning of year** | **552,894** | 3,751 |
| **Cash, end of year** | **$1,426,275** | $552,894 |

## 1. Nature of Operations and Going Concern

Aston Bay Holdings Ltd. ("Aston Bay" or the "Company") is a publicly listed company incorporated in British Columbia, Canada. The Company's registered address is #530, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8 and the head office is located at Suite 1800, 8 King St. East, Toronto, Ontario, M5H 1B5.

The consolidated financial statements of the Company as at and for the years ended March 31, 2025 and 2024 (the "Annual Financial Statements") include the accounts of the Company and its wholly owned subsidiaries, Blue Ridge Mining Inc., a company incorporated in Delaware, United States of America, and Aston Bay Ventures Ltd., a company incorporated in British Columbia, Canada. The Company is engaged in exploration and development of gold and base metal deposits in Nunavut, Canada and Virginia, USA.

For the year ended March 31, 2025, the Company incurred a net loss of $1,960,192 (2024 – $3,288,461) and has yet to achieve revenue from operations. At March 31, 2025, the Company had an accumulated deficit of $30,836,713 (2024 - $28,876,521) and working capital of $1,341,898 (2024 a working capital deficit of $393,439). These factors indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. Subsequent to the year end, the Company received USD700,000 royalty income (see note 12). The Annual Financial Statements have been prepared on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Annual Financial Statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

## 2. Basis of Presentation and Material Accounting Policies

### (a) Statement of compliance

The Annual Financial Statements have been prepared in accordance with IFRS®Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee.and were approved and authorized for issue by the Board of Directors on July 28, 2025.

### (b) Basis of presentation

The Annual Financial Statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information. All amounts have been expressed in Canadian Dollars ("$"), the functional currency unless otherwise stated, and USD represents United States Dollars.

## 2. Basis of Presentation and Material Accounting Policies, continued

### (c) Changes in accounting policies

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on April 1, 2024, or later. These included IAS 1 Presentation of Financial Statements and IAS 8 – Accounting Policies changes in Accounting Estimates and Errors. These new standards and changes did not have any material impact on the Annual Financial Statements.

#### Future accounting policies not yet adopted

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for certain accounting periods beginning April 1, 2026:

#### Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures.** The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after April 1, 2026. Retrospective application is required, and early adoption is permitted.

#### Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued **IFRS 18 Presentation and Disclosure in Financial Statements** to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

## 2. Basis of Presentation and Material Accounting Policies, continued

### (d) Significant accounting judgments and estimates, continued

The application of the Company's accounting policies in compliance with IFRS requires the Company's Management to make certain judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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, but are not limited to, the following:

i. the inputs used in accounting for the valuation of warrants and options;
ii. the inputs used in accounting for share-based compensation expense;
iii. the existence and estimated amount of contingencies, if any (note 9); and
iv. the considerations made related to the going concern assumption (note 1)

### (e) Financial instruments

Financial instruments are classified and measured either at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI") based on the business model in which they are held and the characteristics of their contractual cash flows.

Financial instruments are measured at fair value on initial recognition of the instrument and classified as either financial instruments at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial instruments at initial recognition. Subsequent measurement of financial instruments is based on their initial classification. Financial instruments classified as FVTPL are measured at fair value and changes in fair value are recognized in profit and loss. The Company's financial instruments are measured at amortized cost using the effective interest rate method.

Transaction costs related to financial assets and liabilities at fair value through profit or loss are recognized in profit and loss; transaction costs related to financial instruments measured at amortized cost are added to their fair value on initial recognition.

| | Classification |
|---|---|
| **Financial Assets** | |
| Cash | Amortized cost |
| Accounts receivable | Amortized cost |

**2. Basis of Presentation and Material Accounting Policies, continued**

**Financial instruments, continued**

**Financial liabilities**

| | |
|---|---|
| Accounts payable and accrued liabilities | Amortized cost |
| Loan payable | Amortized cost |

The fair values of the financial instruments are based on the amount of future cash flows associated with each instrument discounted using an estimate of the Company's current borrowing rate for similar debt instruments of comparable maturity.

**Impairment of financial assets**

Financial assets, other than those as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It is becoming probable that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets, with the exception of financial assets measured at amortized cost, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, based on an expected credit loss approach, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

**(e) Mineral properties and exploration expenditures**

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;

(ii) determining the optimal methods of extraction and metallurgical and treatment processes;

(iii) studies related to surveying, transportation, and infrastructure requirements;

(iv) permitting activities; and

**2. Basis of Presentation and Material Accounting Policies, continued**

**(e) Mineral properties and exploration expenditures, continued**

(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures incurred on a license where a NI 43-101 – Standards of Disclosure for Mineral Projects (“43-101”) compliant resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a 43-101 compliant resource and on completion of a pre-feasibility study. Costs expensed during this phase are included in “exploration and evaluation expenses” in the consolidated statements of operations and comprehensive loss.

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

Mine development costs are capitalized if management determines that there is sufficient evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when the technical feasibility and commercial viability of extraction of the mineral resource is demonstrable considering long-term metal prices. Prior to capitalizing such costs, management determines if there is a probable future benefit that will contribute to future cash inflows, the Company can obtain the benefit and control access to it, and if the transaction or event giving rise to the benefit has already occurred.

**(f) Flow-through shares**

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the flow-through shares. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in the consolidated statement of operations and comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

**(g) Income taxes**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

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

## 2. Basis of Presentation and Material Accounting Policies, continued

### (g) Income taxes, continued

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive loss depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered**.**

### (h) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Potentially dilutive instruments include 49,690,781 warrants and 22,425,000 stock options, which were anti-dilutive for the year ended March 31, 2025.

### (i) Share capital and share issue costs

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### (j) Asset retirement obligation

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment in the federal and regional jurisdictions in which it operates. The Company believes its operations are in compliance with all applicable laws and regulations. The Company expects to make, in the future, expenditures that comply with such laws and regulations but cannot predict the full amount or timing of such future expenditures. A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise.

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the consolidated financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated non-discounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability Recorded. At present, the Company has determined that it has no material ARO's to record in these consolidated financial statements.

## 2. Basis of Presentation and Material Accounting Policies, continued

### (k) Share-based payment transactions

The Company uses the fair value method whereby the Company recognizes compensation costs for the granting of all stock options and direct awards of stock based on their fair value over the period of vesting using the Black-Scholes option pricing model. Any consideration paid by the option holders to purchase shares is credited to capital stock.

### (l) Presentation and functional currency and foreign currency translation

The Company's presentation currency is Canadian Dollars and all amounts are presented in Canadian Dollars unless otherwise stated.

The functional currency of the Company and its subsidiaries is outlined below:

| Entity | Functional Currency |
| --- | --- |
| Aston Bay Holdings Ltd. | Canadian dollar |
| Aston Bay Ventures Ltd. | Canadian dollar |
| Blue Ridge Mining Inc. | United States dollar |

Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in a currency other than the Canadian Dollar are translated into Canadian Dollars at the exchange rate as at the end of the reporting period. Non-monetary assets and liabilities are translated at historical exchange rates at the transaction date. Depreciation is translated at historical exchange rates at the transaction date. The calculated exchange gains and losses are included in loss and comprehensive loss for the year. The assets and liabilities of entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the financial period;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity as reserve for foreign exchange.

### 3. Exploration and Evaluation Expenses ("E&E") and Royalty

The following is a summary of accumulated exploration and evaluation expenses to March 31, 2025 and 2024:

| | Storm Copper and Seal Zinc | Epworth | Virginia Projects Buckingham | Total |
|---|---|---|---|---|
| **March 31, 2023** | **$11,527,223** | **$—** | **$1,702,101** | **$13,229,324** |
| Expenditures | 83,334 | 212,508 | 93,267 | **389,109** |
| Expense recovery | (80,500) | — | — | **(80,500)** |
| Option exercise | (10) | — | — | **(10)** |
| **March 31, 2024** | **$11,530,047** | **$212,508** | **$1,795,368** | **$13,537,923** |
| Expenditures | 295,025 | 1,866,796 | 229,423 | **2,391,244** |
| Option exercise | — | 50,000 | — | **50,000** |
| Claim staking | — | 33,750 | — | **33,750** |
| **March 31, 2025** | **$11,825,072** | **$2,163,054** | **$2,024,791** | **$16,012,917** |

**Storm Copper and Seal Zinc Project**

The Storm Copper and Seal Zinc Project (the "Project") consists of 173 contiguous mining claims covering an area of approximately 219,256.7 hectares on Somerset Island, Nunavut, Canada. The Company initially had a 100% ownership interest in the property, subject to a 0.875% Gross Overriding Royalty held by Commander Resources Ltd. on a portion of the property.

On May 3, 2021, the Company closed its option agreement transaction ("Option Agreement") with American West Metals Limited ("AWML"), an Australian public company, and Tornado Metals Ltd. ("American West"), a wholly owned subsidiary of AWML, pursuant to which American West has an option to earn an 80% interest in the Storm Copper and Seal Zinc Project. In connection with the closing of the transaction, the Company received a payment of $500,000 from American West.

American West is the operator of the Project during the term of the Option Agreement, but the parties have established a management committee comprised of three members, two appointed by American West and one appointed by Aston Bay.

American West completed its obligation under the earn-in agreement to spend $10,000,000 and exercised its option to acquire an 80% interest in the Project. Aston Bay now holds a 20% interest in the Project which is carried for all expenditures to the completion of a feasibility study and production decision.

American West and Aston Bay has formed an 80/20 joint venture and entered into a joint venture agreement, the form of which was settled under the Option Agreement. Pursuant to the Option Agreement, Aston Bay shall have a free carried interest until American West has made a decision to mine on completion of a bankable feasibility study. At that point, if the Company chooses not to contribute its proportionate share of expenses and is diluted below 10% ownership, the ownership converts to a 2% Net Smelter Royalty, half of which is purchasable by American West for $5,000,000, at first production.

## 3. Exploration and Evaluation Expenses (“E&E”), continued

### Royalty

On October 18, 2024, the Company received the initial USD1,000,000 in funding as part of an agreement with the Company's joint venture partner American West Metals Limited and TMRF Canada Inc., a subsidiary of Taurus Mining Royalty Fund L.P. (“Taurus”), whereby Taurus will provide funding of up to USD12,500,000 under a royalty package for the Storm Copper Project. Aston Bay will be allocated 20% of the funding from the royalty package (USD2,500,000) with no use of proceeds restriction.

On May 7, 2025 the Company received an additional USD700,000 as a royalty payment.

### Epworth Project

The Epworth Property (the “Property”) is located approximately 80 kilometres (“km”) southeast of the village of Kugluktuk (formerly Coppermine) in the Kitikmeot Region of Nunavut, Canada (“Epworth”). On February 29, 2024, the Company entered into a binding letter of agreement (the "Option Agreement") with Emerald Geological Services ("EGS") pursuant to which it has been granted an option to acquire an undivided 80% beneficial interest in the Epworth property owned by EGS.

Pursuant to the terms of the Option Agreement, Aston Bay can earn an 80% undivided interest in the Property by spending a minimum of $3,000,000 on qualifying exploration expenditures over a four-year period. Aston Bay also agreed to make a cash payment of $50,000 to EGS following the signing of the Option Agreement (paid). EGS shall be the operator during the term of the Option Agreement, but the parties shall also establish a technical committee to approve all Expenditures. The technical committee will be composed of two members, one appointed by each of Aston Bay and EGS, with Aston Bay to have a casting vote.

The Option Agreement provides for an 80/20 joint venture (the "JV") to be formed between the parties upon Aston Bay earning its interest in the Property. The Option Agreement is binding, however it also provided for a replacement agreement in the future, (the “Definitive Agreement”) and such Definitive Agreement contains the terms that will govern the JV (completed April 23, 2024). Pursuant to the Definitive Agreement, EGS will have a carried interest until the JV completes a bankable feasibility study in respect of the Property, with EGS's contributions to the JV to be credited against future revenue from the Property. After completing a bankable feasibility study, EGS shall be diluted in the event it does not contribute its proportionate share, and its interest will be converted into a 2% net smelter return (“NSR”) if its interest is diluted to below 10%. Aston Bay shall have a right to repurchase 50% of such NSR for $1,500,000 during the two-year period after commencement of commercial production from the Property.

During the March 31, 2024 fiscal year, the Company completed staking in the area that significantly expanded the size of the property from 15 claims over 8320 hectares (20,559 acres) to now consisting of 66 claims covering an area of 79,725.43 hectares (197,005 acres) over a trend approximately 74 km by 14 km in lateral extent.

## 3. Exploration and Evaluation Expenses ("E&E"), continued

### Buckingham Gold Project

The Buckingham Gold Project ("BGP") is located in central Virginia, USA, within a copper-lead-zinc-gold-silver (Cu-Pb-Zn-Au-Ag) mineralized sedimentary and volcanic belt prospective for sedimentary exhalative (SEDEX) or Broken Hill (BHT) type deposits.

The Company operates the BGP under Exploration and Option-to-Lease agreements (the BGP Lease Agreements") with private landowners in Buckingham County, Virginia. On August 23, 2019, the Company entered into a definitive three-year agreement (the "BGP Agreement") with a North American timber company which granted Aston Bay an exclusive option to lease the mineral rights to 10,985 acres (4,445 hectares) of land located within the BGP area. Pursuant to the terms and conditions of the BGP Agreement, the Company is required to pay minimum annual option payments and incur minimum annual expenditures totalling USD450,000 for the commitment period (August 23, 2021 – August 22, 2022).

Pursuant to the terms of the BGP Agreement, the Company has surrendered certain portions of the original land package and there are now 2,235 acres remaining under the BGP Agreement. The BGP Lease Agreement has been converted to a mining lease and annual cash payment of US$100,000 paid to extend the lease period to September 15, 2025.

Property Expansion

In March 2022, the Company entered into exploration agreements with an option-to-lease arrangement with two private landowners to lease the mineral rights for land parcels adjacent to the BGP. The combined properties consist of 532 acres (215.3 hectares) of private land adjacent to the existing parcels that host the Buckingham Gold vein. One of the properties, consisting of 41 acres, was subsequently deemed nonessential and the agreement was terminated. The agreement covering the remaining 493.8 acres is for a period of five years and the Company must make option payments totalling US$4,938 on signing and in the first and second years, US$9,876 in the third year, and US$12,345 in the fourth and fifth years to keep the agreement in good standing otherwise it will forfeit the option. The parties are currently in negotiations to amend the terms of the arrangement in order to keep the option in good standing.

### Virginia Metals Project

On September 15, 2024, Blue Ridge Mining Inc., a wholly owned subsidiary of Aston Bay (the "Lessee"), entered into a Mining Lease Agreement (the "MLA") with Weyerhaeuser Company, a Washington corporation (the "Lessor") to lease certain lands in Buckingham County Virginia (the "Lease Area"), for the purpose of exploration activities, development and mining operations. This lease shall be for a primary term of fifteen (15) years ("Primary Term") unless terminated in accordance with the terms of the MLA. The Primary Term may be extended by the Lessee, by written notice given to Lessor at least six (6) months prior to the expiration of the Primary Term, for an additional term of fifteen (15) years ("Extension Term").

**3. Exploration and Evaluation Expenses ("E&E"), continued**

**Virginia Metals Project, continued**

During the term(s) of the lease, the Lessee shall pay to Lessor the following nonrefundable annual rental payments subject to annual adjustment for inflation:

| Lease Year | Annual Rent Payment |
|---|---|
| Lease Years 1 - 10 | $100,000 |
| Lease Year 11 | $200,000 |
| Lease Year 12 and thereafter | $300,000 |

Additionally, once a Notice of Commitment to Proceed (as defined in the MLA) is delivered by the Lessee to the Lessor, the Lessee shall expend the following minimum amounts of Qualifying Expenditures (as defined in the MLA) in annual work commitments ("Annual Work Commitments"):

| Lease Year | Annual Work Commitments |
|---|---|
| Lease Years 1 -10 | $225,000 |
| Lease Year 11 | $300,000 |
| Lease Year 12 and thereafter | $500,000 |

Should the Company achieve commercial success during the term(s) of the lease, certain net smelter return ("NSR") royalties shall become due and owing to the Lessor. A portion of the NSR royalties may be repurchased by the Lessee for cash as determined by a valuation mechanism contained in the MLA.

**4. Related-Party Transactions and Balances**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operating decisions or by virtue of common ownership. Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with IAS 24 - Related Party Disclosure, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executives and non-executive) of the Company.

**4. Related-Party Transactions and Balances, continued**

The remuneration of key management personnel during the years ended March 31, 2025 and 2024 is as follows:

| | March 31, | |
|---|---|---|
| **For the years ended** | **2025** | 2024 |
| Management fees | **$360,000** | $300,000 |
| Directors fees | **65,000** | 65,000 |
| Share-based compensation | **88,378** | 1,127,780 |
| | **$513,378** | $1,492,780 |

As at March 31, 2023, the Company's CEO (the "Lender") had advanced $670,000 to the Company. During the year ended March 31, 2024 the Company repaid $250,000 of the advances leaving a balance at March 31, 2024 of $420,000. The loan is unsecured and repayable on demand. Interest is payable quarterly at 15% per annum and $15,562 (2024 - $112,553) of quarterly interest payable was credited to the loan balance during the year. The total amount of advances and quarterly interest credits was repaid prior to March 31, 2025, in the amount of $660,340. At March 31, 2024 the amount owed to the Lender was $644,778.

**5. Deferred Premium on Flow-Through Shares**

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statements of comprehensive loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities.

Total premium liability of $456,653 was recognized during the period in respect of flow-through financings *(see note 6)* and $456,653 of the deferred premium liability was recognized as income in the consolidated statements of operations and comprehensive loss.

In connection with the flow-though financing conducted during the year, the Company incurred an obligation to spend a total of $2,083,700 on qualifying exploration expenditures. During the year, the Company incurred qualifying exploration expenditures totalling $2,083,700 and as at March 31, 2025 it had fulfilled the commitment.

## 6. Share Capital

**Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value.

a) During the year ended March 31, 2025, the Company completed a private placement, in three tranches, on May 9, June 6, and June 20, 2024. The Company issued 17,056,333 non-flow-through units ("NFT Units") at a price of $0.12 per NFT Unit and 13,891,333 flow-through ("FT") shares at a price of $0.15 per FT share, for gross proceeds of $4,130,460. Each NFT Unit consists of one common share of the Company and one common share purchase warrant entitling the holder thereof to acquire an additional common share of the

Company at price of $0.18 per share purchase warrant, for a period of 24 months from the date of issuance. The premium recorded on the FT shares was $456,653. In connection with the financing, the Company paid aggregate cash finder's fees of $160,629 and legal and regulatory fees of $25,542.

b) The following table summarizes the common shares activity for the years ended March 31, 2025 and 2024:

| | Number of Shares | Amount |
|---|---|---|
| **Balance – March 31, 2023** | **178,453,594** | **$19,581,934** |
| Private placements | 31,297,375 | 2,503,790 |
| Share issue costs | — | (267,458) |
| Warrants issued | — | (1,096,841) |
| Options exercise | 7,375,000 | 976,668 |
| Warrants exercise | 4,876,000 | 633,365 |
| **Balance – March 31, 2024** | **222,001,969** | **$22,331,458** |
| Private placement | 30,947,666 | 4,130,460 |
| Share issue costs | — | (215,062) |
| Warrants issued | — | (868,145) |
| Deferred premium liability | — | (456,653) |
| **Balance – March 31, 2025** | **252,949,635** | **$24,922,058** |

**Stock Options**

The Corporation has a stock option plan (the "SOP"). The purpose of the SOP is to equip the board of directors to be able to attract, retain and motivate management, staff, and consultants by providing them with the opportunity, through share options and share issuances, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options to be issued under the SOP shall not exceed 10% of the total number of common shares issued and outstanding.

## 6. Share Capital, continued

**Stock Options, continued**

a) On April 23, 2024, the Company granted 500,000 stock options to consultants of the Company. The options have an exercise price of $0.13 per share and expire on April 23, 2031. The stock options vested immediately and were assigned a value of $59,100 using the Black-Scholes option-pricing model with the following assumptions: expected life of five years, risk-free rate of 3.79%, expected dividend yield of 0%, and expected volatility of 147.2%. The fair value amount of $59,100 is included in share-based compensation for the period.

b) On August 2, 2024, the Company granted 2,300,000 stock options to directors, officers and consultants of the Company. These options have an exercise price of $0.105 per share and expire five years from the date of the grant. The options vest 1/3 on the date of grant, 1/3 on August 2, 2025 and the final 1/3 vest on August 2, 2026. The stock options were assigned a value of $228,503 using the Black-Scholes option-pricing model with the following assumptions: expected life of five years, risk-free rate of 2.88%, expected dividend yield of 0%, and expected volatility of 169.6%. During the nine months ended December 31, 2024, a total of $180,170 has been charged as share-based compensation expense.

c) On December 8, 2024, 400,000 stock options expired, unexercised.

The following table summarizes the stock option activity during the years ended March 31, 2025 and 2024:

| | Number of Options | Weighted average exercise price |
|---|---|---|
| **Balance – March 31, 2023** | **13,052,500** | **$0.11** |
| Granted | 16,225,000 | 0.12 |
| Exercised | (7,375,000) | (0.08) |
| Expired | (1,877,500) | (0.28) |
| **Balance – March 31, 2024** | **20,025,000** | **$0.11** |
| Granted | 2,800,000 | 0.11 |
| Expired | (400,000) | (0.15) |
| **Balance – March 31, 2025** | **22,425,000** | **$0.11** |

## 6. Share Capital, continued

**Stock Options, continued**

As at March 31, 2025 the following options were outstanding and exercisable:

| Exercise Price ($) | Number of Options Outstanding | Weighted Average Remaining Contractual Life – Years | Number of Options Exercisable | Expiry Date |
|---|---|---|---|---|
| 0.10 | 1,425,000 | 0.82 | 1,425,000 | January 22, 2026 |
| 0.06 | 725,000 | 1.95 | 725,000 | March 10, 2027 |
| 0.05 | 1,250,000 | 2.95 | 1,250,000 | March 10, 2028 |
| 0.105 | 2,300,000 | 4.35 | 766,666 | August 2, 2029 |
| 0.115 | 16,225,000 | 5.83 | 16,225,000 | January 25, 2031 |
| 0.13 | 500,000 | 6.07 | 500,000 | April 23, 2031 |
| **0.11** | **22,425,000** | **5.08** | **20,891,666** | |

### Warrants

a) The following table summarizes the warrants activity for the years ended March 31, 2025 and 2024:

| | Weighted Number of Warrants | Weighted average exercise price ($) |
|---|---|---|
| **Balance – March 31, 2023** | **14,960,600** | **$0.12** |
| Issued | 31,297,375 | 0.12 |
| Broker warrants issued | 1,502,843 | 0.08 |
| Exercised | (4,876,000) | (0.12) |
| Expired | (10,414,600) | (0.12) |
| **Balance – March 31, 2024** | **32,470,218** | **0.12** |
| Issued | 17,056,333 | 0.18 |
| Broker warrants issued | 334,230 | 0.18 |
| Expired | (170,000) | (0.12) |
| **Balance – March 31, 2025** | **49,690,781** | **0.14** |

**6. Share Capital, continued**

**Warrants, continued**

**Year ended March 31, 2024**

a) On October 5, 2023, the Company issued private placement warrants to acquire 31,297,375 common shares of the Company at an exercise price of $0.12 per common share, and broker warrants to acquire 1,502,843 common shares of the Company at an exercise price of $0.08 per common share. Both warrant series are exercisable until October 5, 2025. The aggregate fair value for the private placement warrants of $1,096,841 and the broker warrants of $55,154, were determined using the Black Scholes pricing model with the following assumptions: volatility of 205.7%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 4.82%. The share price at the time of the issuance was $0.065.

b) During the year ended March 31, 2024, 4,876,000 warrants priced at $0.12 were exercised for proceeds of $585,120 and 10,414,600 warrants expired, unexercised.

**Year ended March 31, 2025**

a) In connection with the private placement tranches that closed on June 6, 2024 and June 20, 2024, the Company issued 17,056,333 private placement warrants exercisable at $0.18 per common share for 24 months from the date of issuance, and finders' warrants to acquire 334,230 common shares of the Company at an exercise price of $0.18 per common share until June 6, 2026. The aggregate fair value for the private placement warrants of $868,145 and $28,891 for the finders' warrants were determined using the Black Scholes pricing model with the following assumptions: volatility of 191.6.7%; an expected life of 2 years, a dividend yield of 0%, and a risk-free interest rate of 3.97%. The share price at the time of the issuance was $0.11.

b) During the year ended March 31, 2025, 170,000 warrants priced at $0.12 expired, unexercised.

c) As at March 31, 2025, the following warrants were outstanding and exercisable:

| **Expiry Date** | **Number of Warrants** | **Exercise Price ($)** |
|---|---|---|
| October 5, 2025 | 30,797,375 | 0.12 |
| October 5, 2025 | 1,502,843 | 0.08 |
| June 6, 2026 | 17,160,563 | 0.18 |
| June 20, 2026 | 230,000 | 0.18 |
| | **49,690,781** | **0.14** |

The weighted average contractual life remaining for warrants at March 31, 2025 is 0.77 (2024 – 1.51) years. The above warrants were not included in the computation of diluted net loss per share for he periods presented as they are anti-dilutive.

## 7. Capital Management

The Company considers its capital structure to consist of shareholders' equity. The Company's objective in managing capital is to maintain adequate levels of funding to support organizational functions and obtain sufficient funding to further the identification and development of mineral deposits. 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 properties in which the Company currently has an interest are in the exploration stage; and as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration, pay for administrative costs and fund working capital, the Company will need to raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

## 8. Financial Risk Factors

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

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial end of the reporting period is the carrying value of its financial assets. Cash is held with large financial institutions in Canada, and management believes that exposure to credit risk is not significant.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. As of March 31, 2025, the Company had working capital of $1,341,898 (March 31, 2024 – deficiency of $393,439). The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operational requirements as well as the growth and development of its mineral property interests. The Company coordinates this planning and budgeting process with its financing activities through the capital management process in normal circumstances.

The Company is currently in the exploration stage and has not commenced commercial operations. As at March 31, 2025, the Company has an accumulated deficit of $30,836,713 (March 31, 2024 - $28,876,521) and is not yet generating operating cash flows (see note 1).

## 8. Financial Risk Factors, continued

**Market risk**

• Interest rate risk

The Company has no significant exposure to interest rate risk through its financial instruments.

• Price risk

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

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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken.

**Fair value**

The fair values of the Company's cash, accounts receivable, loan payable, and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

## 9. Commitments and Contingencies

**Environmental**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect

public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.

**Contingencies**

The Company is a party to certain employment/consultant contracts. These contracts contain clauses requiring that up to $448,975 be paid on termination for other than cause or pursuant to a change of control. Neither of these conditions have occurred therefore no provision has been made in these Annual Financial Statements.

## 10. Additional Cash Flow Information

| | **March 31, 2025** | March 31, 2024 |
|---|---|---|
| Accounts receivable | $— | $98,700 |
| Depreciation | — | 83,334 |
| Sales tax recoverable | (26,094) | (29,183) |
| Prepaid expenses | 52,485 | (77,219) |
| Accounts payable and accrued liabilities | (243,569) | (1,061,802) |
| | **$(217,178)** | **$(986,170)** |

## 11. Income Taxes

### (a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2024 – 27%) to the effective tax rate is as follows:

| **For the years ended** | **March 31,** | |
|---|---|---|
| | **2025** | 2024 |
| Loss before recovery of income taxes | **$(1,960,192)** | $(3,288,461) |
| Expected income tax (recovery) | **(529,250)** | (887,880) |
| Share-based compensation and non-deductible expenses | **57,020** | 461,350 |
| Share issuance cost booked to equity | **(58,070)** | (116,900) |
| Flow-through share premium | **(123,300)** | — |
| Effect of flow-through renunciation | **562,600** | — |
| Change in tax benefits not recognized | **91,000** | 543,430 |
| **Income tax (recovery)** | **$–** | $– |

The Company’s income tax (recovery) is allocated as follows:

| **For the years ended** | **March 31,** | |
|---|---|---|
| | **2025** | 2024 |
| Current tax (recovery) expense | **$–** | $– |
| Deferred tax (recovery) expense | **$–** | $– |
| **Total** | **$–** | $– |

Deferred taxes are provided as a result of temporary differences that arise due to the differences between income tax values and the carrying amount of assets and liabilities.

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

**11. Income Taxes, continued**

| For the years ended | March 31, | |
|---|---|---|
| | **2025** | 2024 |
| Equipment | **$254,200** | $254,200 |
| Share issuance costs | **440,300** | 370,920 |
| Operating tax losses carried forward – Canada | **8,783,180** | 8,934,540 |
| Operating losses carried forward – US | **559,570** | 531,850 |
| Tax credits | **48,340** | 48,340 |
| Resource pools – Mineral properties | **11,866,750** | 11,475,450 |

The Canadian and U.S. operating tax loss carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

**b) Tax loss expiry**

The Company's Canadian and U.S. operating tax losses expire as follow:

| Year of Expiry | Amount ($) | |
|---|---|---|
| | **CAD** | **USD** |
| 2032 | 201,170 | — |
| 2033 | 379,550 | — |
| 2034 | 469,280 | — |
| 2035 | 637,760 | — |
| 2036 | 642,900 | — |
| 2037 | 850,610 | 69,480 |
| 2038 | 854,690 | 171,980 |
| 2039 | 969,370 | — |

## 11. Income Taxes, continued

### b) Tax loss expiry, continued

| Year of Expiry | Amount | |
|---|---|---|
| | **CAD** | **USD** |
| 2040 | 891,610 | — |
| 2041 | 875,210 | — |
| 2042 | 314,210 | — |
| 2043 | 337,940 | — |
| 2044 | 1,358,890 | — |
| Indefinately | — | 318,110 |
| **Total** | **$8,783,180** | **$559,570** |

## 12. Subsequent Event

On May 7, 2025, the Company received a royalty payment of USD 700,000 ($961,380). See note 3 – *Explorationand evaluation expenditures and royalty.*