



SRQ Resources Inc.

Unaudited Interim Condensed Financial Statements

For the three and six-month periods ended June 30, 2025 and 2024

(in Canadian dollars)

TSX-V: SRQ

Notice to Reader

The accompanying unaudited condensed interim financial statements of SRQ Resources Inc. (the "Corporation" or "SRQ") have been prepared by the management and are its responsibility. The unaudited condensed interim financial statements are prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

These unaudited condensed interim financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Corporation's Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Corporation's auditors.

SRQ Resources Inc.

Statements of Financial Position

(Unaudited - in Canadian dollars)

	Notes	June 30, 2025 \$	December 31, 2024 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,826,917	407,905
Sales taxes receivable		82,865	24,603
Prepaid expenses and deposits		82,021	11,846
Tax credits receivable		-	65,735
		1,991,803	510,089
Non-current assets			
Property and equipment		71,591	57,006
TOTAL ASSETS		2,063,394	567,095
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		309,294	87,552
Short-term portion of lease liability	4	9,693	28,615
Flow through liability	5	-	-
		318,987	116,167
Non-current liabilities			
	4	-	-
		318,987	116,167
EQUITY			
Share capital	6	1,637,376	909,938
Contributed surplus	6,7	5,241,247	3,739,731
Deficit		(5,134,216)	(4,198,741)
		1,744,407	450,928
TOTAL LIABILITIES AND EQUITY		2,063,394	567,095

Nature of operation and going concern (Note 1)

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

On behalf of the Board,

Ugo Landry-Tolszczuk /s/
Director

Jean-Christophe Parisien-La Salle /s/
Director

SRQ Resources Inc.

Statements of Loss and Comprehensive Loss

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended June 30,		Six-month periods ended June 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Expenses					
Exploration and evaluation	3				
Exploration expenses		513,727	671,192	626,818	852,262
First Nation consultancy		15,565	16,852	31,065	33,729
Amortization		12,447	11,238	23,843	22,183
Share-based payments		9,100	11,019	29,471	33,518
		550,839	710,301	711,197	941,692
General and administration					
Professional and consulting fees		91,375	71,750	197,522	137,200
Salaries and benefits		-	19,619	-	39,241
Other general and administrative		16,442	26,656	27,092	39,598
Investor relation & filing fees		40,324	27,139	77,977	69,248
Travel and representation		3,198	3,652	13,196	7,542
Amortization		391	211	622	422
Share-based payments	7	29,459	39,411	96,698	119,877
		181,189	188,438	413,107	413,128
Other income					
Flow through liability amortization	5	(136,119)	(103,250)	(175,703)	(134,433)
Interest income		(11,355)	(10,089)	(13,620)	(26,352)
Foreign exchange gain		112	-	494	-
		(147,362)	(113,339)	(188,829)	(160,785)
Net loss and comprehensive loss		584,666	785,400	935,475	1,194,035
Net loss per common share - basic and diluted		0.01	0.03	0.02	0.04
Weighted average number of shares – basic and diluted		46,095,650	27,992,251	37,894,110	27,992,251

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

SRQ Resources Inc.

Statements of Changes in Shareholder's Equity

(Unaudited - in Canadian dollars)

		Number of shares	Share capital	Contributed surplus	Deficit	Total
	Notes		\$	\$	\$	\$
Balance as at January 1, 2025		27,992,251	909,938	3,739,731	(4,198,741)	450,928
Issuance of common shares	6	18,103,399	2,371,393	-	-	2,371,393
Issuance of warrants	6	-	(1,375,347)	1,375,347	-	-
Flow-through liability, net of share issue costs	6	-	(175,703)	-	-	(175,703)
Share issuance costs	6	-	(92,905)	-	-	(92,905)
Stock-based payments	7	-	-	126,169	-	126,169
Net loss and comprehensive loss		-	-	-	(935,475)	(935,475)
Balance as at June 30, 2025		46,095,650	1,637,376	5,241,247	(5,134,216)	1,744,407
Balance – January 1, 2024		27,992,251	909,938	3,519,703	(2,409,558)	2,020,083
Stock-based payments	7	-	-	153,395	-	153,395
Net loss and comprehensive loss		-	-	-	(1,194,035)	(1,194,035)
Balance as at June 30, 2024		27,992,251	909,938	3,673,098	(3,603,593)	979,443

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

SRQ Resources Inc.

Statements of Cash Flows

(Unaudited - in Canadian dollars)

		Six-month periods ended June 30,	
		2025	2024
Cash flows provided by (used for)	Notes	\$	\$
Operating activities			
Net loss for the periods		(935,475)	(1,194,035)
Adjustments for non-cash items			
Depreciation		24,466	22,605
Accreted interest on lease liability	4	570	1,758
Flow through liability amortization	5	(175,703)	(134,433)
Share-based payments	7	126,169	153,395
		(959,973)	(1,150,710)
Change in working capital items			
Sales taxes receivable		(58,262)	(26,608)
Prepaid expenses and deposits		(70,175)	4,092
Tax credit receivable		65,735	-
Accounts payable and accrued liabilities		221,742	182,971
		159,040	160,455
		(800,933)	(990,255)
Investing activities			
Property and equipment additions		(39,051)	(7,429)
		(39,051)	(7,429)
Financing activities			
Lease liability	4	(19,492)	(29,238)
Issuance of shares as part of a private placement	6	2,371,393	-
Share issuance costs	6	(92,905)	-
		2,258,996	(29,238)
Net change in cash and cash equivalents		1,419,012	(1,026,922)
Cash and cash equivalents, beginning of periods		407,905	1,736,295
Cash and cash equivalents, end of periods		1,826,917	709,373

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

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

1 NATURE OF OPERATIONS AND GOING CONCERN

SRQ Resources Inc. ("SRQ" or the "Corporation") is a Canadian base metals Corporation exploring for nickel, copper and platinum in the province of Québec. The Corporation was incorporated on June 2, 2021, under the Canada Business Corporations Act. The Corporation's head office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8. The Corporation's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SRQ.V".

Based on the information available to date, the Corporation has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to successfully complete exploration and development programs and, ultimately, upon future profitable production.

These unaudited interim financial statements have been prepared on a going concern basis, which presumes the Corporation will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Corporation is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. As at June 30 2025, the Corporation has a working capital of \$1,672,816 (December 31, 2024 – \$393,922), including cash of \$1,826,917 (December 31, 2024 – \$407,905).

The Corporation's ability to continue future operations and fund its operations is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, royalty financing and other capital market alternatives. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements. Such adjustments could be material.

2 MATERIAL ACCOUNTING POLICIES

Basis of presentation

The Corporation's interim financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim statements, including IAS 34, *Interim Financial Reporting*.

The accounting policies followed in these interim condensed financial statements are consistent with those applied in the Corporation's annual financial statements for the year ended December 31, 2024. These interim financial statements should be read in conjunction with the Corporation's annual financial statements for the year ended December 31, 2024 which have been prepared according to IFRS Accounting Standards.

These interim condensed consolidated financial statements were authorized for publication by the Audit Committee, as delegated by the Board of Directors, on August 29, 2025.

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

Basis of measurement

These interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

3 EXPLORATION AND EVALUATION EXPENSES

All the Corporation's property listed below are 100% owned.

		Six-month periods ended June 30,		
			2025	2024
Property	Location	# Claims	\$	\$
Lac Brulé	Outaouais, Quebec, Canada	603	633,948	797,844
Lac Brennan	Outaouais, Quebec, Canada	42	2,700	96,802
Lac Dumoine	Outaouais, Quebec, Canada	328	74,500	-
Redcliff	Nord-Du-Québec, Quebec, Canada	84	50	13,528
Other properties	Quebec, Canada	125	-	-
		1,182	711,198	908,174

4 LEASE LIABILITY

The Corporation rents vehicles for its exploration activities. These leases are for a two-year period and include an option to purchase at the end of the contract term.

	June 30, 2025	December 31, 2024
	\$	\$
Lease liabilities at the beginning of the period	28,615	74,414
Lease payments	(19,492)	(48,729)
Accreted interest	570	2,930
Balance, end of period	9,693	28,615
Current portion	9,693	28,615
Long-term portion	-	-

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	\$
2025	9,746
Total minimum payments	9,746
Less interest	(53)
Total minimum capital payments	9,693

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

5 LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	June 30, 2025	December 31, 2024
	\$	\$
Balance, beginning of period	-	159,091
Addition, net of issue costs	175,703	-
Reduction related to qualifying exploration expenditures	(175,703)	(159,091)
Liability related to the premium on flow through shares	-	-

6 SHARE CAPITAL

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

Transactions during the six-month period ended June 30, 2025:

On March 24, 2025, the Corporation announced the closing of a non-brokered private placement for the issuance of 18,103,399 shares of the Corporation, for aggregate gross proceeds of \$2,371,393. The private placement comprised two tranches, as follows:

- **Hard Dollar Units:** 14,786,982 hard dollar units at a price of C\$0.12 per Hard Dollar Unit, each Hard Dollar Unit comprising of one Common Share and one Common Share purchase warrant entitling the holder to purchase one Common Share for a period of 24 months from the closing date at a price of \$0.18 per Common Share, for gross proceeds of C\$1,774,438;
- **Flow-Through Shares:** 3,316,417 Common Shares that qualify as “flow-through shares” (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) at a price of \$0.18 per FT Share for gross proceeds of \$596,955. The financing included a flow-through liability of \$198,985.

In consideration for providing certain finders’ services to the Corporation in connection with the private placement, the Corporation paid cash finders’ fees in the aggregate of \$46,785, issued 304,910 warrants to purchase Common Shares exercisable at \$0.18 for a period of 24 months from closing of the FT Shares’ Offering and paid other issue costs of \$46,121. The fair value of the 15,091,892 warrants was estimated at \$1,375,347 using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 149.31%, risk-free rate of return 3.06%, share price of \$0.13 and expected maturity of 2 years. The finders’ fees were paid to certain arm’s-length finders, representing up to 7% of the gross proceeds received by the Corporation from subscribers that were introduced to the Corporation by such finders. From the total issue cost of \$92,905, \$7,796 was allocated to the flow-through liability and the remaining \$85,109 was attributed to share capital.

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

Warrants

The following table shows the changes in warrants:

	Six-month period ended		Year ended	
	June 30, 2025		December 31, 2024	
	Number	\$	Number	\$
Balance, beginning of periods	197,120	0.16	197,120	0.16
Issued	15,091,892	0.18	-	-
Balance exercisable, end of periods	15,289,012	0.18	197,120	0.16

The number of outstanding share purchase warrants that could be exercised for an equal number of common shares is as follows:

Expiry Date	June 30, 2025	
	Number	Exercise price \$
December 20, 2025	197,190	0.16
March 24, 2027	15,091,982	0.18
	15,289,012	

7 SHARE-BASED PAYMENTS

Share purchase options

The Corporation has a fixed stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 4,395,368 shares of the Corporation. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than \$0.05, being the minimum exercise price allowable under TSX-V policy.

The following table shows the changes in stock options:

	Six-month period ended		Year ended	
	June 30, 2025		December 31, 2024	
	Number	\$	Number	\$
Balance, beginning of period	1,945,000	0.27	1,945,000	0.27
Granted	1,430,000	0.13	-	-
Balance, end of period	3,375,000	0.21	1,945,000	0.27
Exercisable, end of period	2,302,500	0.25	1,458,750	0.27

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

	June 30, 2025		
	Number outstanding	Number exercisable	Exercise price \$
September 18, 2033	1,945,000	1,945,000	0.27
	1,430,000	357,500	0.13
	3,375,000	2,302,500	

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	Six-month period ended June 30, 2025	Year ended December 31, 2024
Weighted average price at the grant date	\$0.13	-
Weighted average exercise price	\$0.13	-
Expected dividend	-\$	-
Expected average volatility	100.45%	-
Risk-free average interest rate	3.28%	-
Expected average life	10 years	-
Weighted fair value per stock option	\$0.12	-

A share-based payment expense of \$38,559 and \$126,169 was recognized during the three-month and six-month periods ended June 30, 2025, respectively (\$50,430 and \$153,395 during the three-month and six-month periods ended June 30, 2024) in share-based payments in the statement of loss and comprehensive loss. The expected underlying volatility was based on the historical comparable companies shares over a period equivalent to the expected average life of the options.

8 FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The Corporation's financial instruments as at June 30, 2025 and December 31, 2024 consist of cash and cash equivalents, accounts payable and accrued liabilities.

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

The classification of financial instruments is summarized as follows:

		June 30, 2025 \$	December 31, 2024 \$
Financial Assets	Classification		
Cash and cash equivalents (Guaranteed investment certificates)	Financial assets at amortized cost	1,731,644	292,979
		1,731,644	292,979
		June 30, 2025 \$	December 31, 2024 \$
Financial Assets	Classification		
Cash equivalents (Other than guaranteed investment certificates)	Fair value through profit & loss	95,273	114,926
		95,273	114,926
		June 30, 2025 \$	December 31, 2024 \$
Financial Liabilities	Classification		
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	309,294	87,552
		309,294	87,552

The Corporation's risk exposures and the impact of these exposures on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is also exposed to credit concentration risk by holding cash and guaranteed investment certificates. This risk is minimized by holding cash and guaranteed investment certificates with a large Canadian financial institution.

Liquidity risk

The Corporation manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its E&E programs. The Corporation also ensures that it has sufficient working capital available to meet its day-to-day commitments.

As at June 30, 2025, the Corporation had cash and cash equivalents of \$1,826,917 to settle liabilities of \$318,987.

Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new equity instruments, issuance of debts, issuance of convertible debentures, issuance of streams, sale of royalties, further expenditure reductions, or other measure.

Fair value

Fair value estimates are made at the statement of financial position date based on relevant market information and other information about financial instruments.

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

The Corporation's financial instruments recorded at amortized costs at June 30, 2025 consist of cash and guaranteed investment certificates, accounts receivable and accounts payables and accrued liabilities. The Corporation's financial assets and liabilities approximate their fair values due to their relatively short periods to maturity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

Except for the fixed interest recognized on the guaranteed investment certificates, all of the Corporation's assets and liabilities are non-interest-bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

Market risk

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and other currencies. As the Corporation has not yet developed commercial mineral interests, its exposure to commodity price risk at this time is limited. However, the Corporation is indirectly exposed to commodity price risk as it impacts the Corporation's access to capital and funding.

9 RELATED PARTIES

Transaction with related parties

During the three-month and six-month periods ended June 30, 2025 and 2024, and the year ended December 31, 2024, the following related party transactions occurred in the normal course of operations:

Lease payments, exploration expenses and general and administrative expenses of \$30,898 and \$46,458 for the three-month and six-month periods ended June 30, 2025, respectively (\$18,009 for the three-month and \$32,214 six-month periods ended June 30, 2024) to Sama Resources Inc, a corporation of which the Corporation's President and Chief Executive Officer is also the President and Chief Executive Officer. As at June 30, 2025, \$15,124 was due to that corporation (\$nil – December 31, 2024)

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Corporation. During the three-month and six-month periods ended June 30, 2025 and 2024, the remuneration awarded to key management personnel (including the amounts above) is as follows:

SRQ Resources Inc.

Notes to the Interim Condensed Financial Statements

June 30, 2025 and 2024 (Unaudited - in Canadian dollars)

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and benefits	-	18,000	-	36,000
Consulting and professional fees	41,500	50,500	110,000	101,000
Share-based payments	32,357	44,077	106,487	134,072
	73,857	112,577	216,487	271,072

Termination and change of control provisions

Certain agreements between the executive team and the Corporation contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2025, the total amounts payable in respect of severance would amount to \$440,000. If a change of control would occur during the year ending December 31, 2025, the total amounts payable in respect of severance, if elected by the executive members, would amount to \$440,000.