Bonanza Mining Corporation

Condensed Interim Financial Statements

For the three months ended

May 31, 2025

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Bonanza Mining Corporation (the "Company") as at and for the three months ended May 31, 2025, have been prepared by the management of the Company and approved by the Company's Audit Committee.

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

The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the interim financial statements by an entity's auditor.

Bonanza Mining Corporation
Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)
As at May 31, 2025 and February 28, 2025

	Note	May 31, 2025 $	February 28, 2025 $
Assets			
Current assets			
Cash		17,713	91,145
Receivables and prepayments	3	6,870	6,578
		24,583	97,723
Non-current assets			
Reclamation deposits	4	36,700	36,700
Mineral property interests	4	2,350,984	2,342,192
		2,387,684	2,378,892
Total assets		**2,412,267**	2,476,615
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	7	199,375	229,880
Total liabilities		**199,375**	229,880
Shareholders' equity			
Share capital	5	4,730,396	4,730,396
Reserves	5	268,951	268,951
Deficit		(2,786,455)	(2,752,612)
Total shareholders' equity		**2,212,892**	2,246,735
Total liabilities and shareholders' equity		**2,412,267**	2,476,615
Nature of operations and going concern	1		

Approved on behalf of the Board of Directors on July 3, 2025:

"Dayton Marks" **Director** *"Andrew Burgess"* **Director**

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

Bonanza Mining Corporation

Condensed Interim Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the three months ended May 31, 2025 and May 31, 2024

	Number of shares	Share capital	Reserves	Subscriptions received	Deficit	Total shareholders' equity
	#	$	$	$	$	$
March 1, 2024	50,142,202	4,518,003	379,502	-	(2,676,781)	2,220,724
Shares issued for mineral property interests	250,000	20,000	-	-	-	20,000
Subscriptions received	-	-	-	25,000	-	25,000
Loss and comprehensive loss for the period	-	-	-	-	(56,036)	(56,036)
May 31, 2024	50,392,202	4,538,003	379,502	25,000	(2,732,817)	2,209,688
March 1, 2025	57,056,202	4,730,396	268,951	-	(2,752,612)	2,246,735
Loss and comprehensive loss for the period	-	-	-	-	(33,843)	(33,843)
May 31, 2025	**57,056,202**	**4,730,396**	**268,951**	**-**	**(2,786,455)**	**2,212,892**

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

Bonanza Mining Corporation

Condensed Interim Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the three months ended May 31, 2025 and May 31, 2024

	Note	**May 31, 2025** **$**	May 31, 2024 $
Expenses			
General and administrative expenses		1,665	8,042
Management fees	7	18,000	-
Professional fees	7	9,510	24,250
Salaries and benefits	7	-	15,743
Transfer agent and filing fees		4,668	8,195
Loss from operating expenses		**(33,843)**	(56,230)
Interest income		-	194
Loss and comprehensive loss for the period		**(33,843)**	(56,036)
Loss per share			
Weighted average number of common shares outstanding			
- Basic #	6	**57,056,202**	50,204,030
- Diluted #	6	**57,056,202**	50,204,030
Basic loss per share $	6	**(0.00)**	(0.00)
Diluted loss per share $	6	**(0.00)**	(0.00)

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

Bonanza Mining Corporation
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

For the three months ended May 31, 2025 and May 31, 2024

	Note	**May 31, 2025** **$**	May 31, 2024 $
Operating activities			
Loss for the period		(33,843)	(56,036)
Adjustments for:			
Interest income		-	(194)
Net change in non-cash working capital items	8	(31,797)	31,399
		(65,640)	(24,831)
Financing activities			
Share subscriptions received		-	25,000
		-	25,000
Investing activities			
Interest received		-	194
Mineral property acquisition costs	4	(7,792)	(25,000)
Deferred exploration and evaluation expenditures		-	(4,599)
		(7,792)	(29,405)
Change in cash		**(73,432)**	(29,236)
Cash, beginning of period		**91,145**	48,115
Cash, end of period		**17,713**	18,879
Supplemental cash flow information	8		

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

1. Nature of operations and going concern

Bonanza Mining Corporation ("Bonanza" or the "Company") was incorporated on November 24, 2016, under the laws of the Province of British Columbia, Canada. The Company's registered and records office is located at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BNZ.V".

The Company's main business activity is the acquisition, exploration and evaluation of mineral property interests located in British Columbia, Canada. The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests.

These condensed interim financial statements (the "financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue and historically has relied on equity and related party financing to cover its operating expenses.

As at May 31, 2025, the Company had a working capital deficiency of $174,792 (February 28, 2025 – $132,157) and shareholders' equity of $2,212,892 (February 28, 2025 - $2,246,735). Although the Company has been successful in raising equity capital to date, there can be no assurance that adequate or sufficient capital will be available in the future or available under terms acceptable to the Company. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. Material accounting policies

Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended February 28, 2025, and do not include all the information required for full annual financial statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

Material accounting policies

The accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited consolidated financial statements and are those the Company expects to adopt in its financial statements for the year ended February 28, 2026. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual consolidated audited financial statements.

New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for the Company's accounting period beginning on March 1, 2025. The adoption of these standards has not had a material impact on disclosures or amounts reported in these financial statements.

2. Material accounting policies (continued)

Recently issued but not yet effective accounting standards

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for future accounting periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"). This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

3. Receivables and prepayments

Receivables and prepayments consist of the following:

	May 31, 2025	February 28, 2025
	$	$
Goods and services tax recoverable	2,662	967
Prepaid expenses	4,208	5,611
	6,870	6,578

4. Mineral property interests

The Company's mineral property interests consist of exploration stage mineral properties located in British Columbia, Canada. Changes in the project carrying amounts for the three months ended May 31, 2025 and May 31, 2024, are summarized as follows:

	March 1, 2025	**Acquisition/staking/ assessments**	**Exploration and evaluation**	**May 31, 2025**
	$	**$**	**$**	**$**
MC	546,235	7,792	-	554,027
Shag	668,656	-	1,000	669,656
Frog	1,127,301	-	-	1,127,301
	2,342,192	**7,792**	**1,000**	**2,350,984**

	March 1, 2024	Acquisition/staking/ assessments	Exploration and evaluation	May 31, 2024
	$	$	$	$
MC	487,181	45,000	1,298	533,479
Shag	668,055	-	-	668,055
Frog	1,122,113	-	5,189	1,127,302
	2,277,349	45,000	6,487	2,328,836

Exploration and evaluation expenditures on the projects consisted of the following:

	May 31, 2025	May 31, 2024
Three months ended	**$**	$
Assays	-	1,409
Labour	1,000	118
Surveys and consulting	-	4,960
	1,000	6,487

4. Mineral property interests (continued)

(a) MC property

In 2019, the Company completed the acquisition of a 100% interest in certain gold-silver-lead-zinc mineral claims located in the Skeena Mining Division of Stewart, British Columbia, (the "MC property") from an optionor by making cash payments, issuing common shares, and incurring specified exploration expenditures between 2017 and 2019.

The optionor of the property retains a 2% net smelter return royalty ("NSR"), of which 1% can be purchased by the Company at any time for $1,000,000.

On March 19, 2024, the Company executed a purchase and sale agreement to acquire additional claims adjacent to the MC property. Pursuant to the agreement the Company acquired the claims for cash consideration of $25,000 and the issuance of 250,000 common shares of the Company (issued at a fair value of $20,000 ($0.08 each) (Note 5)). The vendor retains a 1% NSR on all future commercial production on the claims. The Company can purchase 0.5% of the NSR at any time for a cash payment of $500,000.

(b) Shag property

In 2018 and as most recently amended on June 23, 2023, the Company entered into an agreement to acquire a 100% interest in certain zinc-lead mineral claims located near Golden, British Columbia, known as the Shag property from the Company's Vice President of Exploration and Director, by making cash payments and issuing common shares of the Company as detailed below and incurring minimum aggregate exploration expenditures of $1,000,000.

Cash payments of $125,000:

- $15,000 on February 21, 2018 upon signing (paid);
- $25,000 upon obtaining a public listing in 2021 (paid);
- $20,000 on or before July 1, 2021 (paid);
- $20,000 on or before July 1, 2022 (paid);
- $20,000 on or before July 1, 2023 (deferred to an undetermined date); and
- $25,000 on or before July 1, 2024 (deferred to an undetermined date).

Issuing 675,000 common shares:

- 75,000 common shares on February 21, 2018 upon signing (issued);
- 100,000 common shares on or before February 21, 2019 (issued);
- 100,000 common shares on or before June 19, 2020 (issued);
- 100,000 common shares on or before July 1, 2022 (issued);
- 100,000 common shares on or before July 1, 2023 (issued);
- 100,000 common shares on or before July 1, 2024 (deferred to an undetermined date); and
- 100,000 common shares on or before July 1, 2025 (deferred to an undetermined date).

Incurring aggregate exploration expenditures of $1,000,000:

- $250,000 on or before December 31, 2022 (completed);
- Cumulative costs of $500,000 on or before December 31, 2023 (completed);
- Cumulative costs of $750,000 on or before December 31, 2024 (not incurred, informally extended); and
- Cumulative costs of $1,000,000 on or before December 31, 2025.

The optionor of the property retains a 3% NSR, of which 1.5% can be purchased by the Company at any time for $1,000,000.

4. Mineral property interests (continued)

(c) Frog property

In 2018 and as most recently amended on June 23, 2023, the Company entered into an agreement to acquire a 100% interest in certain zinc-lead-silver-copper mineral claims located in the Liard Mining District in British Columbia, known as the Frog property from the Company's Vice President of Exploration and Director, and an arm's length party (with 50% of the cash and common share consideration payable to each individual). The Company can acquire the property by making cash payments and issuing common shares of the Company as detailed below and incurring minimum aggregate exploration expenditures of $1,000,000.

Cash payments of $125,000:

- $40,000 upon obtaining a public listing in 2021 (paid);
- $15,000 on or before July 1, 2021 (paid);
- $20,000 on or before July 1, 2022 (paid);
- $20,000 on or before July 1, 2023 (deferred to an undetermined date); and
- $30,000 on or before July 1, 2024 (deferred to an undetermined date).

Issuing 675,000 common shares:

- 75,000 common shares on February 21, 2018 upon signing (issued);
- 100,000 common shares on or before April 30, 2019 (issued);
- 100,000 common shares on or before June 19, 2020 (issued);
- 100,000 common shares on or before July 1, 2022 (issued);
- 100,000 common shares on or before July 1, 2023 (issued);
- 100,000 common shares on or before July 1, 2024 (deferred to an undetermined date); and
- 100,000 common shares on or before July 1, 2025 (deferred to an undetermined date).

Incurring aggregate exploration expenditures of $1,000,000:

- $250,000 on or before December 31, 2022 (completed);
- Cumulative costs of $500,000 on or before December 31, 2023 (completed);
- Cumulative costs of $750,000 on or before December 31, 2024 (completed); and
- Cumulative costs of $1,000,000 on or before December 31, 2025.

The optionors retain a 3% NSR, of which 1.5% can be purchased by the Company at any time for a cash payment of $1,000,000.

Reclamation deposits

The Company holds reclamation deposits totaling $36,700 (February 28, 2025 - $36,700) which are comprised of deposits held in variable interest-bearing guaranteed investment certificates (GIC) pledged to the Ministry of Finance of British Columbia in relation to the MC, Shag, and Frog properties to ensure these properties are properly restored after exploration. Management has determined that the Company has no material reclamation work related to these properties.

5. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the three months ended May 31, 2025:

- There were no transactions for the issue of share capital during the three months ended May 31, 2025.

Transactions for the issue of share capital during the three months ended May 31, 2024:

- On May 8, 2024, the Company issued 250,000 common shares with a fair value of $20,000 ($0.08 each) for the acquisition of the Mills property adjacent to its MC property (Note 4(a)) in accordance with the terms of the underlying purchase agreement.

Escrowed shares

The Company had an Escrow Agreement in relation to certain of its issued and outstanding common shares which were subject to a scheduled release over a 36-month period which concluded in March 2024, with the final release of 2,583,751 common shares from escrow. As at May 31, 2025 and February 28, 2025, there were no common shares held in escrow.

Stock options

The Company has an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the day on which the Company announces the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX-V. Vesting terms are determined by the Board of Directors at the time of grant.

A summary of the status of the Company's stock options as at May 31, 2025 and February 28, 2025, and changes during the period/year then ended is as follows:

	Period ended May 31, 2025		Year ended February 28, 2025	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of period/year	3,350,000	0.15	4,300,000	0.15
Cancelled	-	-	(950,000)	0.15
Options outstanding, end of period/year	**3,350,000**	**0.15**	3,350,000	0.15

As at May 31, 2025, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Expiry date	Average remaining life (years)
2,600,000	2,600,000	0.15	March 23, 2026	0.81
250,000	250,000	0.15	August 13, 2026	1.20
500,000	500,000	0.15	November 1, 2026	1.42
3,350,000	**3,350,000**	**0.15**		**0.93**

5. Share capital (continued)

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at May 31, 2025 and February 28, 2025, and changes during the period/year then ended is as follows:

	Period ended May 31, 2025		Year ended February 28, 2025	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	6,707,280	0.05	3,729,000	0.15
Issued	-	-	6,707,280	0.05
Expired	-	-	(3,729,000)	0.15
Warrants outstanding, end of period/year	**6,707,280**	**0.05**	6,707,280	0.05

As at May 31, 2025, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Expiry date	Average remaining life (years)
6,707,280	**6,707,280**	**0.05**	**February 12, 2027**	**1.70**

Reserves

Reserves includes the accumulated fair value of stock options recognized as share-based payments, the fair value of finders' warrants issued on private placements, and the residual value of warrants attached to private placement units, if any. Reserves is increased by the fair value of these items on vesting and/or issuance and is reduced by corresponding amounts when the options or warrants expire or are exercised or cancelled.

	Options $	Warrants $	Total $
March 1, 2024	306,082	73,420	379,502
May 31, 2024	306,082	73,420	379,502
March 1, 2025	235,406	33,545	268,951
May 31, 2025	**235,406**	**33,545**	**268,951**

6. Loss per share

The calculation of basic and diluted loss per share for the three months ended May 31, 2025, was based on the loss attributable to common shareholders of $33,843 (2024 – $56,036) and a weighted average number of common shares outstanding of 57,056,202 (2024 – 50,204,030). All stock options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

7. Related party payables and transactions

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive Directors, and entities which key management controls or has significant influence. The Company considers all Directors and Officers of the Company to be key management. There were no loans to management personnel or Directors, or entities over which they have control or significant influence, during the three months ended May 31, 2025 and May 31, 2024.

Christopher Graf, Vice President Exploration and Director, and Alfredo De Lucrezia, former President, CEO and Director (until August 1, 2024) each earned salaries (paid or accrued) and incentive stock options. No other key management personnel or Directors receive salaries, non-cash benefits (other than stock options), or other remuneration directly from the Company. Key management personnel and Directors participate in the Company's stock option plan.

There were no stock options granted to Officers or Directors during the three months ended May 31, 2025 and May 31, 2024.

The Company's current and/or former related parties are as follows:

(a) Christopher Graf is the Company's Vice President Exploration, and a Company Director. His salary is included within salaries and benefits. On February 15, 2025, the Company and Mr. Graf agreed to terminate his salary arrangement.

(b) Alfredo De Lucrezia was the Company's former President, CEO and a Company Director until August 1, 2024. His salary up to his date of resignation is included within salaries and benefits.

(c) Dayton Marks is the Company's President, CEO (from August 6, 2024) and a Company Director. Mr. Marks earns executive service fees included within management fees.

(d) Dan Martino is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA, Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services which are recorded within professional fees.

(e) Glenn Yeadon is the Company's Corporate Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp."), which provides the Company with legal services which are recorded within professional fees or share issue costs as a reduction to share capital.

(f) Charles Greig is a Company Director. He controls C.J. Greig and Associates Ltd. ("C.J. Greig and Associates"), which provides the Company with geological services which are capitalized to mineral property interests.

(g) Andrew Burgess is a Company Director.

The aggregate value of transactions, and outstanding balances included within accounts payable and accrued liabilities with key management personnel and entities over which they have control or significant influence, were as follows:

		Transactions three months ended May 31, 2025 $	Transactions three months ended May 31, 2024 $	**Balances outstanding May 31, 2025** $	Balances outstanding February 28, 2025 $
(1)	Alfredo De Lucrezia	-	7,500	21,525	21,525
(2)	Andrew Burgess	-	-	1,698	-
	C.J. Greig and Associates	-	198	-	-
	Chris Graf	-	7,500	37,283	37,283
	Dayton Marks	18,000	-	12,300	6,358
	DBM CPA	7,500	6,750	4,000	-
	Yeadon Law Corp.	-	12,000	104,412	138,253
		25,500	33,948	**181,218**	203,419

(1) Mr. De Lucrezia ceased to be a related party effective August 1, 2024.
(2) Balance due to Andrew Burgess represents expenses incurred on behalf of the Company.

All related party balances are unsecured and are due within thirty days without interest.

8. Supplemental cash flow information

Changes in non-cash operating working capital during the three months ended May 31, 2025 and May 31, 2024, were comprised of the following:

	May 31, 2025 $	May 31, 2024 $
Receivables and prepayments	(292)	1,079
Accounts payable and accrued liabilities	(31,505)	30,320
Net change	**(31,797)**	31,399

The Company incurred the following non-cash financing and investing activities during the three months ended May 31, 2025 and May 31, 2024:

	May 31, 2025 $	May 31, 2024 $
Non-cash financing activities:		
Deferred financing costs included in accounts payable to related parties	-	5,000
	-	5,000
Non-cash investing activities:		
Deferred exploration expenditures included within accounts payable and accrued liabilities	1,000	2,060
Shares issued for mineral property acquisition costs	-	20,000
	1,000	22,060

During the three months ended May 31, 2025 and May 31, 2024, there were no amounts paid for interest or income taxes.

9. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern by maintaining appropriate levels of cash to meet ongoing operating costs. The Company may from time to time, invest excess cash into highly-liquid financial instruments such as guaranteed investment certificates (GICs) or a high-interest savings account. In order to maintain or adjust its capital structure, the Company may issue new shares. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to capital management during the three months ended May 31, 2025.

As at May 31, 2025, the Company's capital structure is comprised of shareholders' equity of $2,212,892 (February 28, 2025 - $2,246,735).

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company is required to raise additional capital. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to raise additional financing from equity markets (Note 1).

9. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash, reclamation deposits, and accounts payable and accrued liabilities. The carrying values of these instruments approximate their fair values because of the short-term nature of these instruments.

The Company does not have any financial instruments measured at fair value on the condensed interim statements of financial position. However, at initial recognition financial instruments are measured at fair value into the following fair value hierarchy levels:

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 (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments - classification

Financial assets:	Classification and measurement:
Cash	Amortized cost
Reclamation deposits	Amortized cost

Financial liabilities:	Classification and measurement:
Accounts payable and accrued liabilities	Amortized cost

Financial instruments - risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, and liquidity risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk by holding cash, and reclamation deposits. All of the Company's cash is held in a Canadian financial institution, and its reclamation deposits are due from the provincial government of British Columbia. The Company's maximum exposure to credit risk is equal to the carrying value of these instruments and it is exposed to risk as all of its cash is concentrated with a single financial institution. The Company's exposure to and management of credit risk has not changed materially from the prior year.

b) 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 market interest rates. The Company is exposed to interest rate risk because of fluctuating interest rates on cash balances held in savings accounts, if any. Fluctuations in market rates do not have a significant impact on the Company's operations. For the three months ended May 31, 2025, every 1% fluctuation in interest rates would have had an insignificant impact on loss for the period (2024 - insignificant impact).

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities are all due within the next twelve months. The Company mitigates this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.