

AURWEST RESOURCES CORPORATION

Interim Financial Statements

For the six months ended June 30, 2025

**(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)**

	Page
Statements of Financial Position	3
Statements of Loss and Comprehensive Loss	4
Statements of Changes in Shareholders' Equity	5
Statements of Cash Flows	6
Notes to the Financial Statements	7-19

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company for the six months ended June 30, 2025, and 2024 have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

AURWEST RESOURCES CORPORATION
STATEMENTS OF FINANCIAL POSITION
As at June 30, 2025 and December 31, 2024
(expressed in Canadian dollars)
(Uaudited – Prepared by Management)

	Notes	June 30, 2025	December 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		14,956	4,960
Restricted cash	5	-	25,000
Accounts receivable	5	150,000	-
Goods and services tax receivable		1,773	1,013
Income Tax receivable		5,647	5,647
Prepays		-	3,535
Assets held for distribution	5	-	800,000
Total current assets		172,376	840,155
Restricted Securities	5	810,000	-
Exploration and evaluation assets	4	-	-
TOTAL ASSETS		982,376	840,155
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		365,366	341,510
Provisions	6	175,000	250,000
Deferred consideration		-	25,000
Due to related parties		37,220	57,154
Total liabilities		577,586	673,664
SHAREHOLDERS' EQUITY			
Share capital		10,046,122	10,046,122
Reserves		1,352,960	1,352,960
Deficit		(10,994,292)	(11,232,591)
Total Shareholders' equity		404,790	166,491
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		982,376	840,155

Nature of operations (Note 1)

Approved on behalf of the Board of Directors by:

Signed “Cameron MacDonald”

Director

Signed “Colin Christensen”

Director

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

AURWEST RESOURCES CORPORATION

STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the three and six months ended June 30, 2025, and 2024

(expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Not es	Three months ending		Six months ending	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
EXPENSES				\$	\$
Consulting fees	7	31,985	44,500	62,285	92,000
Exploration and evaluation expenditures		-	2,825	-	6,288
Marketing & investor relations		-	1,097	-	1,097
Office and general		3,769	7,443	8,866	13,379
Professional fees		(1,102)	26,494	4,898	71,980
Regulatory and filing		5,533	6,689	10,434	12,329
Investment fees		5,218	-	5,218	-
		(45,403)	(89,048)	(91,701)	(197,073)
Gain on sale of asset	4,5	350,000	-	350,000	-
Loss on sale of investment		(20,000)	-	(20,000)	-
Income tax recovery		-	12,155	-	12,155
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		284,597	(76,893)	238,299	(184,918)
Basic and diluted income (loss) per common share		\$0.00	(\$0.00)	\$0.00	(\$0.00)
Weighted average number of shares outstanding – basic and diluted		104,521,635	104,521,635	104,521,635	104,521,635

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

AURWEST RESOURCES CORPORATION

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended June 30, 2025 and December 31, 2024
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share Capital			Reserves			\$	\$
	Number of Common Shares	\$ Amount	\$ Shares to be cancelled	\$	\$	\$		
Balance, December 31, 2023	104,521,635	10,046,122	-	953,911	399,049	(10,875,179)		523,903
Loss for the period	-	-	-	-	-	-	(357,412)	(357,412)
Balance, December 31, 2024	104,521,635	10,046,122	-	953,911	399,049	(11,232,591)		166,491
Gain for the period	-	-	-	-	-	-	238,299	238,299
Balance, June 30, 2025	104,521,635	10,046,122	-	953,911	399,049	(10,994,292)		404,790

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

AURWEST RESOURCES CORPORATION
STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2025, and 2024
(expressed in Canadian dollars)
(Uaudited – Prepared by Management)

	Notes	Six months ended	
		June 30, 2025	June 30, 2024
		\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss for the period			
		238,299	(184,918)
Items not involving cash:			
Gain on sale of asset	4,5	(350,000)	-
Loss on sale of investment		20,000	-
Changes in non-cash working capital items:			
Prepays		3,535	(4,456)
Goods and services tax receivable		(760)	(482)
Income taxes receivable		-	(12,155)
Accounts payable and accrued liabilities		23,856	120,695
Provisions	6	(75,000)	-
Due to related parties		(19,934)	(3,567)
Net cash used in operating activities		(160,004)	(84,883)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Consideration received from sale of assets	5	75,000	-
Exploration and evaluation expenditure		-	(3,211)
Sale of investments		70,000	-
Net cash used in investing activities		145,000	(3,211)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Due to related parties		-	30,634
Net cash provided by financing activities		-	30,634
Change in cash and cash equivalents		(15,004)	(57,460)
Cash and cash equivalents, beginning of the period		29,960	69,997
Cash and cash equivalents, end of the period		14,956	12,537

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

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS

Aurwest Resources Corporation (the “Company” or “Aurwest”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 17, 2008, and has been a reporting issuer in British Columbia, Alberta and Ontario, and whose shares have traded on the Canadian Securities Exchange since November 10, 2010 under the stock symbol SRS. On January 8, 2020, the Company changed its name to Aurwest Resources Corporation and commenced trading under the stock symbol “AWR”. The Company’s registered and records office and corporate office address is Suite 1400, 1125 Howe Street Vancouver, BC, V6Z 2K8.

The Company is pursuing the acquisition, exploration and evaluation of mineral properties. As at December 31, 2023, it had two 100% owned properties in British Columbia, being the Stellar Project and the Stars Project. The Company had also previously entered into option agreements to earn a 100% interest in the Paradise Lake, Miguels Lake and Stony Caldera properties in Newfoundland, which were terminated subsequent to December 31, 2023. The Company is in the process of exploring its mineral property interests and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral properties in accordance with industry practice, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

Plan of Arrangement

On September 22, 2022, the Company received all necessary approval to complete a plan of arrangement (the “Plan of Arrangement” or the “Arrangement”) to:

- Spin out its 100% owned Stellar and Stars mineral properties consisting of two parcels of adjoining land in British Columbia into a separate publicly listed company, Copper Star Exploration Ltd. (“Copper Star”) subject to a minimum of \$1,000,000 financing to be completed within one year from the Arrangement date (the “Financing”).
- Form five new reporting issuers being: 1377314 B.C. Ltd., 1377319 B.C. Ltd., 1377326 B.C. Ltd., 1377331 B.C. Ltd. and 1377333 B.C. Ltd. (the “SpinCos” or in case of singular, “SpinCo”) which will be used for the purposes of evaluating future go public business opportunities.

On September 23, 2022, the Record Date, Aurwest’s shareholders were entitled to receive 0.0051 shares of each of the five newly formed SpinCos for every one common share of Aurwest held.

On September 28, 2022, pursuant to the Plan of Arrangement, each Aurwest common shares was exchanged for (Note 7):

- One New Common Share (completed);
- One Class A Preferred Share, which will be exchanged for 29,961,488 shares of Copper Star for a total of \$2,605,000 being the value of the Stellar and Stars mining properties, subject to the Financing (not completed). In the event the Financing is not completed within one year, the Class A Preferred Shares will be cancelled (extended for an additional year to September 28, 2024); and
- One Class B Preferred Share, which was redeemed in exchange for 0.0051 SpinCo shares for a total of 509,336 SpinCo shares in each of the SpinCos (completed).

On September 30, 2022, the Class B Preferred Shares were redeemed, and each Aurwest shareholder received their pro-rata shares in each of the SpinCos. In exchange for the 509,336 common shares, each SpinCo was to receive \$25,000 in cash from Aurwest, for a total commitment from Aurwest of \$125,000. As at June 30, 2025, the Company has paid \$87,780 (December 31, 2024 - \$86,646) and has a liability of \$37,220 (December 31, 2024 - \$38,354).

As of December 31, 2024, Aurwest had not completed the financing required to spin out the Stellar and Stars properties and accordingly, the financing requirement which had been extended to September 28, 2024, was not met. Management did not pursue a further extension, as a result, it let the Stellar Project claims expire and entered

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
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into a sales transaction to sell the Stars Project to a third party (Notes 4 and 5).

2. BASIS OF PRESENTATION

Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Since these interim condensed consolidated financial statements do not include all disclosures required by IFRS for annual financial statements, they should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2024.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 15, 2025.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared, except for cash flow information, using the accrual basis of accounting. Unless otherwise noted, these financial statements are presented in Canadian dollars, the functional currency of the Company.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned Canadian subsidiary Copper Star Exploration Ltd. (“Copper Star” or the “Subsidiary”). The Subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at June 30, 2025, the Company had not yet achieved profitable operations, had income of \$238,299 (2024 - \$184,918 loss), had a working capital of \$405,210 (December 31, 2024 - working capital surplus of \$166,491) and a deficit of \$10,994,292 (December 31, 2024 - \$11,232,591) since inception. The Company expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
(expressed in Canadian dollars)
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The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

Estimates

Share-based compensation and fair value of brokers' warrants

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value of share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models use for estimating fair value for share-based payment transactions are disclosed in Note 6.

Deferred income tax assets

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Judgement is involved when determining whether to recognize deferred tax assets on the statement of financial position.

Recoverability of exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

AURWEST RESOURCES CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 For the six months ended June 30, 2025
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3. SIGNIFICANT ACCOUNTING POLICIES

New material accounting standards and interpretations issued but not yet adopted

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. 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. IFRS 18 is effective for annual reporting 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 consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

	Stellar	Stars	Total
	\$	\$	\$
Balance, December 31, 2023	1	966,534	966,535
Sampling	-	6,421	6,421
Expenditures during the year	-	6,421	6,421
Write-off of exploration and evaluation asset	(1)	(172,955)	(172,956)
Reclassification to asset held for distribution	-	(800,000)	(800,000)
Balance, December 31, 2024 and June 30, 2025	-	-	-

Stellar Project, British Columbia

On February 9, 2018, the Company entered into an option agreement to acquire a 100% interest in 4 mineral claims located on the Stellar Project in north central British Columbia. During the year end May 31, 2018, the Company acquired the 100% interest in the property for total consideration of 500,000 common shares (issued) and \$20,000 in cash payments (paid). The vendor retained a 2% NSR, which the Company has the option to buy out one-half of for \$1,000,000. In August 2020, the Company purchased 2 additional mineral claims on the Stellar property for cash of \$7,000.

During the year ended December 31, 2023, the Company recorded an impairment charge on the property of \$1,033,071, to write the property down to \$1 due to the expiry of the majority of the Company's claims which were not renewed.

During the year ended December 31, 2024, the remaining claims on the Stellar property expired without renewal, therefore the company wrote down the property to \$nil.

Stars Project, British Columbia

On September 23, 2021, the Company entered into mineral claims purchase and sale agreement with Pacific Empire Minerals Corp. to purchase its ownership of 50% interest in the Stars Property for a cash payment of \$350,000. The Stars Property is adjacent to the Company's Stellar Project and consists of 3 mineral tenures located in the

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
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Omineca Mining District in British Columbia. Pacific Empire Minerals Corp. will retain a 2% NSR on the property which the Company has the right to repurchase at any time 1% for \$1,000,000.

On December 2, 2021, the Company entered into mineral claims purchase and sale agreement with M3 Metals Corp. to purchase the remaining 50% interest in the Stars Property for a cash payment of \$450,000 and 1,500,000 common shares. M3 Metals will retain a 2% NSR on the property which the Company has the right to repurchase at any time 1% for \$1,000,000. The common shares were issued on December 10, 2021 and were escrowed and released in equal quarterly tranches through to December 10, 2022.

In October 2024, the Company entered into a definitive sales agreement whereby it agreed to sell its 100% right, title and interest in the Stars Property to Copper Quest Exploration Inc. (formerly Interra Copper Corp.) (“Interra”) (the “Transaction”). As a result of the Transaction, the Star Property was classified as non-current assets held for distribution (note 5) at December 31, 2024.

The fair value of the consideration to be received of \$800,000 was less than the carrying value of the property of \$972,955, as a result, an impairment charge of \$172,955 was recorded through profit and loss and the \$800,000 carrying value was reclassified to assets held for distribution.

The sale was closed in fiscal 2025 and resulted in a gain on sale of \$350,000

5. ASSETS HELD FOR DISTRIBUTION

On October 7, 2024, the Company signed a Purchase & Sale Agreement and subject to completion of certain terms and conditions, the Company would sell its undivided 100% right and interest in the Property to Interra for cash payments of \$250,000, 10,000,000 common shares of Interra and 2,500,000 common share purchase warrants of Interra, with the warrants being exercisable for 24 months at a price of \$0.15 per common share. There is also a grant to underlying third parties of a 2% net smelter return royalty (the "NSR") on all minerals produced from the Property. Interra shall have the right to repurchase at any time 1% per cent of the NSR for consideration of \$2,000,000 based on the terms of the underlying royalty agreements. A finder's fee of 3% on the Acquisition purchase price was payable by the Company in connection with the completion of the Acquisition to an arm's length third party. The Company received a \$25,000.00 deposit from Interra upon signing the definitive agreement and recorded the deposit as restricted cash as of December 31, 2024.

On January 9th, 2025, the Company closed the Purchase & Sales Agreement with Interra Copper Corp. (“Interra”). As of June 30, 2025, the Company had recorded the total consideration comprised of \$250,000 in cash, of which \$100,000 was received on closing, \$150,000 remains due from Interra, 10 million common shares at \$0.09 (originally recorded at an estimated \$0.05) per common share totaling \$550,000 recorded as Restricted Securities, \$350,000 for gain on sale and total consideration \$1,150,000.

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

6. PROVISION

During the year ended December 31, 2023, the Company was involved in an arbitration process regarding an ongoing dispute for amounts owing to a former officer and director. The conclusion of the ongoing arbitration process was finalized with the former officer and director being awarded a total \$300,401, inclusive of both contract amounts, interest accrued and legal costs.

In accordance with the final resolution of the arbitration, the Company revised its provision for legal contingencies during the year ended December 31, 2023. The provision was initially recognized based on management's assessment of the probability of an adverse outcome and its ability to reasonably estimate the potential loss which was then adjusted for an additional \$115,081 being recognized in professional fees to cover legal expenses, of which \$44,401 was reversed as of December 31, 2024. As at June 30, 2025, the provision for the arbitration case balance is \$175,000 (December 31, 2024 - \$250,000).

7. SHARE CAPITAL

Authorized

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

Under the Plan of Arrangement, Aurwest's previous common shares were exchanged into equal number of New Common Shares, Class A Preferred Shares and Class B Preferred Shares (Note 1). Accordingly, on September 22, 2022, the Company issued 99,871,633 New Common Shares, 99,871,633, Class A Preferred Shares and 99,871,633 Class B Preferred Shares. On September 28, 2022, the Class B Preferred Shares were redeemed in full.

As at June 30, 2025, the Company had 104,521,634 (December 31, 2024 – 104,521,634) Common Shares and nil (December 31, 2024 – nil) Class A Preferred Shares issued and outstanding.

Issued

During the period ended June 30, 2025, there were no share capital transactions.

For year ended December 31, 2024

During the year ended December 31, 2024, there were no shares issued.

Stock Options

Stock Option Plan

The Company has a stock option plan in place. Under the stock option plan the Company can issue up to 10% of the issued and outstanding shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The options granted under the stock option plan can vest immediately or subject to the vesting schedule wherein 25% of the options will vest on the day which is 3 months from the day of grant and 25% of the options will vest every 3 months thereafter for a period of 12 months after the day of grant.

All stock options are recorded at fair value using the Black-Scholes Option Pricing Model. During the period ended June 30, 2025, the Company had not issued any stock options (2024 – nil), therefore no share-based compensation (2024 - \$nil) was recognized in the statement of loss and comprehensive loss

AURWEST RESOURCES CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 For the six months ended June 30, 2025
 (expressed in Canadian dollars)
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Summary of stock option activities for the six-month period ended June 30, 2025:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2023	3,233,331	0.07
Expired	(1,500,000)	(0.13)
Forfeited	(200,000)	(0.02)
Balance, December 31, 2024	1,533,331	0.02
Forfeited	(1,533,331)	(0.02)
Balance, June 30, 2025	-	-

Common Share Purchase Warrants

The following is a summary of share purchase warrant activity for the six-month period ended June 30, 2025:

	Number of Share Purchase Warrants	Weighted Average Exercise Price (\$)
Balance, December 31, 2023	1,112,500	0.12
Expired	(550,000)	0.16
Balance, December 31, 2024	562,500	0.08
Expired	(137,500)	0.15
Balance, June 30, 2025	425,000	0.06

Summary of share purchase warrants outstanding as at June 30, 2025:

Expiry Date	Number of Share Purchase Warrants	Exercise Price	Weighted-Average Remaining Life (Years)
December 6, 2025	425,000	\$0.055	0.44
	425,000	\$0.055	0.44

(1) Each share purchase warrant is exercisable into one common share at a price of \$0.10 for the first 18 months and \$0.15 if exercised any time after 18 months from the initial date of grant but no later than 36 months from the date of grant. The Company has the right to force conversion if the share price exceeds \$0.20 for ten consecutive trading days.

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
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8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

	Six months ended June 30, 2025	Six months ended June 30, 2024
	\$	\$
Consulting fees paid or accrued to officers and directors or companies controlled by directors and officers	60,000	95,000
Total fees and other short-term benefits	60,000	95,000

At June 30, 2025, there was one executive consulting agreements with a director and officer for an annual salary of \$120,000. The executive consulting contract has a termination provision in the event of a change of control, whereby the Company would be required to pay between 12 months of fees upon the termination of the contract resulting from change of control.

As at June 30, 2025, accounts payable included \$187,148 (December 31, 2024 - \$155,605) owing to key management personnel, including the current CEO and the previous CFO

9. CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company defines its capital as all components of shareholders' equity. Capital requirements are driven by the Company's planned exploration and evaluation activities and general and administrative expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities. Although the Company has been successful at raising funds in the past through the issuance of share capital, there can be no assurance that it will continue to be able to do so in the future. There were no changes in the Company's approach to capital management during the period ended June 30, 2025. The Company is not subject to externally imposed capital requirements.

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
(expressed in Canadian dollars)
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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there is no unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of cash and cash equivalents is measured using level 1 fair value inputs. Accounts payable and accrued liabilities, provisions, and due to related companies approximate their carrying values due to the short-term nature of these instruments.

Risk Management

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a significant concentration

AURWEST RESOURCES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the six months ended June 30, 2025
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

of credit risk consist primarily of cash. The Company limits its exposure to credit loss by holding its cash with major financial institutions.

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such as a loss is limited because there are currently no loans outstanding. The Company is not currently subject to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. As at June 30, 2025, the Company has a working capital deficit of \$405,210 (December 31, 2024 - \$166,491 surplus).

11. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.