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**RICHMOND MINERALS INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MAY 31, 2025 AND 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Richmond Minerals Inc.:

### *Opinion*

We have audited the accompanying consolidated financial statements of Richmond Minerals Inc. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2025 and 2024, and the related consolidated statements of loss and comprehensive loss, statements of shareholders' equity, and cash flows for the years ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### *Basis for Opinion*

We conducted our audit 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 audit of the 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.

### *Emphasis of Matter - Material Uncertainty Related to Going Concern*

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, 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 and the Other Matters section, we have determined that there are no other key audit matters to communicate in our auditor's report.

### *Other Information*

Management is responsible for the other information. The other information comprises the Management 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 audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit 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 in this auditor's report. 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, and for such internal control as management determines is necessary to enable the preparation of 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.

#### *Auditors' 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.

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

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 Charles Sung.

*CAN Partners LLP*

Markham, Ontario  
September 29, 2025

**Chartered Professional Accountants  
Licensed Public Accountants**

## Consolidated Statement of Financial Position

(In Canadian dollars)

As at:	Note	May 31, 2025	May 31, 2024
<b>ASSETS</b>			
<b>Current</b>			
Cash	5	\$ 5,502	\$ 389,494
Marketable securities and investments	6	76,735	143,269
HST receivable		4,783	40,784
Deposits and prepaid expenses		15,861	6,989
		<u>102,881</u>	<u>580,536</u>
<b>Non-current</b>			
Equipment	7	1,159	1,423
Exploration and evaluation asset	8	2,235,578	2,226,878
		<u>2,236,737</u>	<u>2,228,301</u>
		<u>\$ 2,339,618</u>	<u>\$ 2,808,837</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	14	\$ 118,594	\$ 130,922
Loan from related party	9	-	300,000
Flow-through share liability		2,401	4,301
Provision for indemnification of flow through share subscribers	10	210,000	210,000
		<u>330,995</u>	<u>645,223</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	19,068,792	19,068,792
Contributed surplus	11	2,655,900	2,655,900
Deficit		(19,716,069)	(19,561,078)
		<u>2,008,623</u>	<u>2,163,614</u>
		<u>\$ 2,339,618</u>	<u>\$ 2,808,837</u>
<i>Going Concern – Note 1</i>			
<i>Subsequent Events – Note 18</i>			
<u>/s/ Franz Kozich</u>		<u>/s/ Philip Chong</u>	
Director		Director	

Accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statement of Loss and Comprehensive Loss

(In Canadian dollars)

		Year ended	
	Note	May 31, 2025	May 31, 2024
<b>Expenses</b>			
Management fees	14	\$ -	\$ 40,733
Professional fees	14	59,576	96,453
Regulatory fees		26,305	38,273
License fees		12,936	9,079
Administrative and general		12,766	29,367
Interest and bank charges		5,096	11,693
Depreciation		264	324
		<u>116,943</u>	<u>225,922</u>
<b>Other income (expenses)</b>			
Gain on disposal of exploration and evaluation asset	8	26,438	643,736
Loss on sale of investments	6	-	(54,249)
Fair value adjustment of marketable securities and investments	6	(66,534)	(156,338)
Foreign exchange loss		(714)	(2,874)
Interest income		862	8
Impairment of exploration and evaluation asset	8	-	(996,897)
		<u>(39,948)</u>	<u>(566,614)</u>
<b>Net loss before income tax</b>		(156,891)	(792,536)
Deferred income tax	16	1,900	32,500
<b>Net loss and comprehensive loss</b>		<u>\$ (154,991)</u>	<u>\$ (760,036)</u>
<b>Loss per share</b>			
Basic and diluted*		<u>\$ (0.004)</u>	<u>\$ (0.025)</u>
<b>Weighted average number of shares outstanding</b>			
Basic and diluted*		36,213,387	29,905,057

\* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares and per share information has been retroactively adjusted to reflect the stock consolidation.

Accompanying notes form an integral part of these consolidated financial statements

# Consolidated Statement of Cash Flows

(In Canadian dollars)

	Year Ended	
	May 31, 2025	May 31, 2024
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Net loss for the year	\$ (154,991)	\$ (760,036)
Add (deduct): Items not requiring an outlay of cash		
Loss on sale of investments	-	54,249
Gain on disposal of exploration and evaluation asset	(26,438)	(643,736)
Depreciation	264	324
Fair value adjustment of marketable securities and investments	66,534	156,338
Reversal of flow-through share liability	(1,900)	(32,500)
Impairment of exploration and evaluation asset	-	996,897
Changes in non - cash operating working capital:		
Deposits and prepaid expenses	(8,872)	(169)
HST receivable	36,001	(35,806)
Accounts payable and accrued liabilities	(12,328)	31,875
	<u>(101,730)</u>	<u>(232,564)</u>
<b>Investing activities:</b>		
Proceeds from disposal of exploration and evaluation asset	26,438	217,145
Proceeds from sale of investments	-	73,134
Additions to exploration and evaluation asset	(8,700)	(222,014)
	<u>17,738</u>	<u>68,265</u>
<b>Financing activities:</b>		
Proceeds from loan from related party	-	300,000
Repayment of loan from related party	(300,000)	(100,000)
Proceeds from issuance of shares	-	340,000
	<u>(300,000)</u>	<u>540,000</u>
<b>(Decrease) increase in cash</b>	<b>(383,992)</b>	<b>375,701</b>
<b>Cash, beginning of year</b>	<b>389,494</b>	<b>13,793</b>
<b>Cash, end of year</b>	<b>\$ 5,502</b>	<b>\$ 389,494</b>
<b>Non-cash transactions</b>		
Shares issued for debt	\$ -	\$ 52,725
Shares issued for exploration and evaluation asset	-	22,500

Accompanying notes form an integral part of these consolidated financial statements.

## Consolidated Statement of Shareholders' Equity

(In Canadian dollars)

	Number of Common Shares*	Share Capital	Contributed Surplus	Deficit	Total
<b>Balance, May 31, 2023</b>	<b>28,328,880</b>	<b>\$ 18,653,567</b>	<b>\$ 2,655,900</b>	<b>\$ (18,801,042)</b>	<b>\$ 2,508,425</b>
Issuance of shares for exploration and evaluation asset	30,000	22,500	-	-	22,500
Issuance of shares for cash	6,800,000	340,000	-	-	340,000
Issuance of shares for debt settlement	1,054,507	52,725	-	-	52,725
Net loss and comprehensive loss	-	-	-	(760,036)	(760,036)
<b>Balance, May 31, 2024</b>	<b>36,213,387</b>	<b>\$ 19,068,792</b>	<b>\$ 2,655,900</b>	<b>\$ (19,561,078)</b>	<b>\$ 2,163,614</b>
Net loss and comprehensive loss	-	-	-	(154,991)	(154,991)
<b>Balance, May 31, 2025</b>	<b>36,213,387</b>	<b>\$ 19,068,792</b>	<b>\$ 2,655,900</b>	<b>\$ (19,716,069)</b>	<b>\$ 2,008,623</b>

\* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares has been retroactively adjusted to reflect the stock consolidation.

Accompanying notes form an integral part of these consolidated financial statements.



## **1. Nature of Operations and Going Concern**

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Richmond Minerals Inc. (the "Company") was incorporated under the laws of the Province of Ontario and is listed on the TSX Venture Exchange under symbol (RMD). The Company has one wholly-owned subsidiary, 2743718 Ontario Inc., incorporated under the laws of the Province of Ontario, which holds the mineral rights of the Austrian properties which were impaired and disposed during the years ended May 31, 2025 and 2024. The Company's head office and primary place of business is located at 50 Melham Court, Toronto, ON, M1B 2E5.

The Company is engaged in base and precious metal mining and related activities, including exploration and development in Northern Ontario. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The Company has taken steps to verify title to exploration and evaluation 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.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at May 31, 2025, the Company has not achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable. The Company has a working capital deficit at year end in the amount of \$228,114 (May 31, 2024 - \$64,687) and has accumulated losses since inception in the amount of \$19,716,069 (May 31, 2024 - \$19,561,078). The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities is dependent on the discovery of economically recoverable mineral reserves, the ability to obtain necessary financing to fund its operations, and the future production or proceeds from developed properties. On July 29, 2025, the Company obtained a loan of \$400,000 from a company controlled by the CFO of the Company (Note 18). These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in these consolidated financial statements. These adjustments could be material.

## **2. Statement of Compliance**

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These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee applicable to the preparation of consolidated financial statements. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. The consolidated financial statements were authorized and approved for issuance by the Board of Directors of the Company on September 29, 2025.

## **3. Material Accounting Policy Information**

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The below-described accounting policies have been applied to all of the periods presented in these consolidated financial statements.

### **(i) Basis of Preparation**

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**Note 3 – Material Accounting Policy Information (Continued)**

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Stock consolidation

On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares and per share information has been retroactively adjusted to reflect the stock consolidation.

**(ii) Basis of Consolidation**

Subsidiaries consist of companies over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expense and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 2743718 Ontario Inc.

**(iii) Foreign Currency**

The Company's functional and presentation currency is the Canadian Dollar ("CAD").

Monetary assets and liabilities that are denominated in a currency other than the Company's functional currency are translated using the exchange rate in effect on the reporting date, whereas non-monetary items are translated using historical exchange rates. Expenses, if any, are translated at the exchange rate in effect on the transaction date. Exchange differences, if any, are recognized in profit or loss in the period in which they arise in foreign exchange gains/losses.

**(iv) Share-based Payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transactions, if any, are set out in Note 11(ii) below.

The fair value determined at the grant date of the equity-settled share-based payments is expensed to the statement of loss and comprehensive loss over the vesting period, if any, which is the period during which the employee becomes unconditionally entitled to equity instruments. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest, if any.

Equity-settled share-based payment transactions with parties other than employees, if any, are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Share-based payments for goods and services are expensed to the statement of loss and comprehensive loss when they occur over the vesting period, if they do not vest immediately.

**Note 3 – Material Accounting Policy Information (Continued)**

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**(v) Income Taxes and Deferred Taxes**

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense or benefit is recognized in the statement of loss and comprehensive loss except to the extent it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Taxable profit or loss differs from profit or loss as reported in the statement of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other years, and items that are never taxable or deductible. The Company's liability or recovery for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. To the extent that the Company does not consider it to be probable that taxable profits will be available against which deductible temporary differences can be utilized, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly into equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

**Note 3 – Material Accounting Policy Information (Continued)**

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**(vi) Exploration and Evaluation Asset**

Exploration and evaluation (E&E) asset includes those costs required to find a mineral property and determine commercial viability. E&E asset include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

Exploration and evaluation costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are capitalized as Exploration and evaluation asset until such time as the Company expects that the decision is made to develop a mine to extract the mineral reserves within a reasonable period. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the statement of loss. Once the decision to develop the mine is made, and subject to an impairment analysis, capitalized exploration and evaluation costs are transferred to capitalized costs within property, plant and equipment or intangible assets, as appropriate. The decision to develop a mine may be impacted by management's assessment of legal, environmental, social and governmental factors.

**(vii) Equipment**

Equipment is recorded and measured at initial recognition at cost. Amortization is provided on items of equipment so as to write off their carrying value over their expected useful economic lives and is calculated at 20% declining balance.

**(viii) Impairment of Non-financial Assets Other than Goodwill**

The carrying value of the Company's capitalized E&E asset is assessed for impairment when indicators of such impairment exist. Equipment are assessed for impairment at the end of each reporting period. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment can be considered on the basis of a cash generating unit ("CGU"). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or Company's other group of assets. The Company has determined that it operates one CGU.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged immediately to the statement of loss and comprehensive loss so as to reduce the carrying amount to its recoverable amount. Impairment losses related to continuing operations are recognized in the statement of loss and comprehensive loss in those expense categories consistent with the function of the impaired asset.

**Note 3 – Material Accounting Policy Information (Continued)**

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For assets excluding goodwill and indefinite life intangibles, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss. Impairment losses recognized in relation to goodwill or indefinite life intangibles are not reversed for subsequent increases in its recoverable amount.

**(ix) Financial Instruments**

**Financial Assets**

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

**Financial Assets at Fair-Value Through Profit or Loss**

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of loss in the period during which the change occurs. Realized and unrealized gains or losses from assets held at FVTPL are included in losses in the period in which they arise. Marketable securities and investments are classified as financial assets at fair value through profit or loss.

**Financial Assets at Fair-Value Through Other Comprehensive Income**

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

**Financial Assets at Amortized Cost**

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. The Company's cash are recorded at amortized cost as they meet the required criteria.

**Financial Liabilities**

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities and loan from related party which are classified at amortized cost.

**Impairment**

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

**Note 3 – Material Accounting Policy Information (Continued)**

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**(x) Fair Value Hierarchy**

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

**(xi) Provisions**

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, if it is probable that the Company will be required to settle the obligation, and if a reliable estimate of the obligation amount can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. If the effect of the time value of money is material, the provisions are measured at their present value.

**(xii) Loss per Share**

Basic earnings (loss) per share are calculated by dividing earnings (loss) attributable to common shares divided by the weighted average number of shares outstanding during the period.

Diluted earnings (loss) per share are calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options and warrants with exercise prices below the average market price for the year.

Shares issuable on exercise of stock options and warrants totaling nil on May 31, 2025 (May 31, 2024: 1,820,000) was not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

**(xiii) Government Grants**

Government grants related to assets, including investment tax credits, are recognized in the statement of financial position as a deduction from the carrying amount of the related asset. They are then recognized in profit or loss over the useful life of the depreciable asset that the grants were used to acquire, as a deduction from the depreciation expense.

Other government grants are recognized in profit or loss as a deduction from the related expense.

***Note 3 – Material Accounting Policy Information (Continued)***

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***(xiv) Flow-through Shares***

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares 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 shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed pro-rata as expenditures are made and are recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

***(xv) Share Capital***

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares and warrants, are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

***(xvi) Warrants***

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

***(xvii) Restoration, Rehabilitation and Environmental Obligations***

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for as soon as the obligation to incur such costs arises.

Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit- of-production or the straight-line method as appropriate.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at May 31, 2025, and 2024 as the disturbance to date is minimal.

**Note 3 – Material Accounting Policy Information (Continued)**

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**(xviii) Accounting Judgments and Sources of Estimation Uncertainty**

In preparing financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and relies on assumptions and estimates that affect the amounts of the assets, liabilities and expenses reported in these consolidated financial statements and on the contingent liability and contingent asset information provided. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

**Taxes**

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

**Share-based Payment Transactions**

The Company measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for 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 and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 11(ii).

**Fair Value of Financial Instruments**

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

**Exploration and Evaluation Asset**

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition. The determination of when an exploration asset moves from the exploration stage to the development stage is also subject to management judgment.

**Restoration Rehabilitation and Environmental Obligations**

Management's assumption of no material restoration, rehabilitation and environmental obligations is based on facts and circumstances, which may be open to interpretation that existed during the period.



**Note 3 – Material Accounting Policy Information (Continued)**

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**(xviii) Accounting Judgments and Sources of Estimation Uncertainty (Continued)**

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**Accrued Liabilities**

Provisions for accrued liabilities are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. Where actual liabilities are different from the amounts that were initially recorded, such differences will be recorded in the period in which such determination is made.

**Flow-through Share Liability**

A deferred flow-through share liability is recognized at the time flow-through shares are issued, representing tax deductions that the Company has to pass on to the flow-through shares investors. As the exploration expenditures are made, the flow-through share liability is reversed on a pro-rata basis. Management apply judgment in determining whether the expenditures are qualifying expenditures for Canadian resource property exploration purposes.

**Going Concern**

As described in Note 1, Management has applied significant judgment in the assessment of the Company's ability to continue as a going concern when preparing these financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so.

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**4. New Accounting Pronouncements**

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**Adoption of New Accounting Standard**

*IAS 1, Presentation of Financial Statements*

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current. In January 2020 and October 2022, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. For the purpose of non-current classification, a right to defer settlement or rollover of a liability must exist at the end of the reporting period and have substance. The Amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.

The amendments were adopted by the Company on June 1, 2024. The adoption of the amendments did not have any significant impact on the Company's consolidated financial statements.

**Note 4 – New Accounting Pronouncements (Continued)**

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**Future accounting pronouncements**

*IFRS 18, Presentation and Disclosure in the Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18") to replace IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 *Statement of Cash Flows* were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 *Earnings Per Share* were issued to permit disclosures of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements and will apply it from the effective date.

*Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designed at FVOCI and financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of the amendments on its consolidated financial statements and will apply the amendments from the effective date.

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**5. Cash Held for Future Exploration**

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As at May 31, 2025, the Company was obligated to incur \$7,203 (May 31, 2024 – \$12,903) in Canadian Exploration Expenditures ("CEE") pursuant to flow-through financings completed in prior years. The cash balance at year-end was not sufficient to meet this obligation; however, subsequent financings provided the necessary funds (see Note 18 – Subsequent Events).

**Richmond Minerals Inc.**  
**Notes to the Consolidated Financial Statements**  
**May 31, 2025 and 2024**

**6. Marketable Securities and Investments**

The Company had investments in the following public company marketable securities which have been classified as Fair Value through Profit and Loss ("FVTPL").

	May 31, 2025		May 31, 2024	
	# shares	Fair Value	# shares	Fair Value
Integra Resources Corp.	102	\$ 227	102	\$ 124
Bitrush Corp.	580,000	2,900	580,000	1
European Lithium Limited ("EUR")	814,512	33,174	814,512	35,458
Options of EUR - unlisted	2,000,000	40,434	2,000,000	107,686
		<u>\$ 76,735</u>		<u>\$ 143,269</u>

During the year ended May 31, 2024, the Company acquired 2,000,000 units of EUR's shares as part of the proceeds of disposal of Austria claims (Note 8(b)). These shares were valued at \$214,903 (\$0.11 per share) using the prevailing trading price of the shares on the date of closing. During the year ended May 31, 2025, the Company sold 1,185,488 EUR shares for \$73,134 and recorded a loss of \$54,249.

The Company also acquired 2,000,000 unlisted options of EUR, exercisable at \$0.12 each and will expire 3 years from the date of issuance. The fair value of the options was estimated to be \$211,689, \$107,686 and \$40,434 respectively, based on the Black-Scholes option-pricing model with the following assumptions on the date of closing and May 31, 2024 and 2025:

	<b>July 6, 2023</b>	<b>May 31, 2024</b>	<b>May 31, 2025</b>
Share price	\$ 0.1075	\$ 0.0551	\$ 0.0365
Expected dividend yield	Nil	Nil	Nil
Exercise price	\$0.12	\$0.12	\$0.12
Risk-free interest rate	4.40%	4.00%	3.19%
Expected life	3 years	2.1 years	1.1 years
Expected volatility	281%	332%	211%

A loss of \$66,534 (May 31, 2024 – \$156,338) was recognized on the adjustment of FVTPL financial instruments to market for the remaining marketable securities and investments.

**7. Equipment**

<b>Cost</b>	Balance at May 31, 2023	Additions	Balance at May 31, 2024	Additions	As at May 31, 2025
Furniture and equipment	\$ 30,459	\$ -	\$ 30,459	\$ -	\$ 30,459
<b>Accumulated depreciation</b>					
Furniture and equipment	\$(28,712)	(324)	(29,036)	(264)	(29,300)
<b>Carrying amount</b>	<b>\$1,747</b>		<b>\$ 1,423</b>		<b>\$ 1,159</b>

## **8. Exploration and Evaluation Asset**

The following is a summary of the Company's exploration and evaluation properties:

	<b>Swayze Area, Porcupine Mining (a)</b>	<b>Oberzeiring (b)</b>	<b>Carinthia / Salzburg (c)</b>	<b>Total</b>
		\$ 915,085	\$ 35,726	\$
Balance at May 31, 2023	\$ 2,028,451			2,979,262
Current year deferred expenditures	175,927	46,086	-	222,013
Shares issued for mineral claims	22,500	-	-	22,500
Impairment of exploration and evaluation asset	-	(961,171)	(35,726)	(996,897)
Balance at May 31, 2024	2,226,878	-	-	2,226,878
Current year deferred expenditures	8,700	-	-	8,700
				\$
Balance at May 31, 2025	\$ 2,235,578	-	-	2,235,578

- (a) The Company holds 100% interest in a group of 182 contiguous unpatented mineral claims ("Ridley Lake Property") located in the Swayze Area, Porcupine Mining Division, Raney and Rollo Townships, Ontario.

During the year ended May 31, 2024, the Company acquired 9 mineral exploration claims in the Rollo Township area of Ontario for 30,000 common shares of the Company, valued at \$22,500. The Claims are contiguous with Richmond's Ridley Lake Property.

All mineral claims have been renewed and are current. The Company is planning additional exploration work, including diamond drilling of six additional holes targeting the assumed intersections of gold. The estimated budget for a six month exploration program is estimated to be around \$450,000 and the Company is planning a capital raise through public offering to finance the budget.

- (b) During the previous years, the Company acquired 100% interest in a group of 99 contiguous mineral claims located near the town of Oberzeiring in the province of Styria, Austria for a total cost of \$800,000. The 99 exploration licenses were to expire on December 31, 2023 and the Company decided to halt exploration activities and planned to phase out all Austrian projects. As a result, an impairment of \$961,171 was recorded on the Oberzeiring Property as at May 31, 2024.

During the year ended May 31, 2023, the Company acquired 245 exploration licenses located in the Wildbachgraben, Klementkogel and Bretstein areas of Austria which are considered prospective for lithium occurrences. Additionally, 219 exploration licences were acquired in the Lower Austria region which are considered prospective for graphite. The cost of the acquisitions was \$Nil as the licenses were acquired through map staking.

On June 27, 2023, the Company sold all the above newly acquired rights, title and interest in the Bretstein-Lachtal, Klementkogel, and Wildbachgraben Projects consisting of 245 exploration licenses for consideration of \$217,145 (\$250,000 Australian), 2,000,000 fully paid ordinary shares of European Lithium Limited ("EUR") and 2,000,000 unlisted options of EUR exercisable at \$0.12 each which expire 3 years from the date of issue. The Company recorded a total proceeds and gain of \$643,736 during the year ended May 31, 2024 for this transaction. See Note 6 for detailed valuation.

- (c) During the year ended May 31, 2022, the Company acquired 100% interest in 10 exploration properties totaling 554 exploration licenses located in the Carinthia and Salzburg areas of Austria. The original cost of the acquisition was \$29,088. During the year ended May 31, 2023, the Company acquired 100% interest in 364 additional exploration licences, bringing the total number of exploration licences located in the Carinthia and Salzburg areas of Austria to 918. The Company planned to phase out all Austrian projects and as a result an impairment of \$35,726 was recorded on the Carinthia / Salzburg Property as at May 31, 2024.

***Note 8 – Exploration and Evaluation Asset (Continued)***

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On April 29, 2025, the Company finalized the sale of 631 exploration licences for consideration of \$34,643 (US\$25,000). After the payment of outstanding licence fees of \$8,205, net proceeds and gain of \$26,438 was recorded during the year ended May 31, 2025. The remaining licences have been returned, thereby completing the Company's withdrawal from Austria.

**9. Loan from Related Party**

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As at May 31, 2024 the Company had a loan balance in the amount of \$300,000. The loan was entered into on May 14, 2024, with KNP Group Inc. a company controlled by the CFO of the Company (Note 14), to borrow \$300,000 with an interest rate of 12% per annum payable in arrears at maturity or full repayment. The loan was unsecured and was repaid on June 28, 2024.

**10. Provision for Indemnification of Flow-through Share Subscribers**

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As at December 31, 2019, the Company was committed to incur \$494,600 in qualifying Canadian exploration expenditures prior to December 31, 2019, pursuant to two 2018 private placements for which flow-through share proceeds had been received by the Company and then renounced to Ontario subscribers effective December 31, 2018.

The Company incurred actual qualifying expenditures of \$242,059 in 2018 and 2019, leaving a shortfall of \$252,541 as at December 31, 2019. Accordingly, effective December 31, 2019 the Company recorded a \$210,000 provision for the estimated cost to indemnify flow-through share subscribers in case their personal income tax were reassessed by Canada Revenue Agency as well as estimated Federal Part XII.6 tax on the Company. The indemnifications are provided for in the underlying subscription agreements for the private placements. Canada Revenue Agency has not audited the use of the funds received from the 2018 flow-through shares placements and no notices of reassessments have been received to date.

The Company has made the following assumptions in estimating the subscriber indemnification provision:

- Ontario subscribers have a combined personal income tax rate of 53.53% and are eligible for both the federal 15% and the provincial 5% investment tax credits; and,
- Subscribers will be assessed two year's interest on reassessed amounts.

## 11. Share Capital and Contributed Surplus

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### (i) *Share Capital*

Authorized: Unlimited number of common shares with no par value

Issued and outstanding common shares consist of the following:

	<b>May 31, 2025</b>	<b>May 31, 2024</b>
Beginning of the year*	36,213,387	28,328,880
Shares issued for mineral claims (a)*	-	30,000
Shares issue for cash (b)	-	6,800,000
Shares issue for debt (b)	-	1,054,507
End of year	<u>36,213,387</u>	<u>36,213,387</u>

\* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Common Shares has been retroactively adjusted to reflect the stock consolidation.

There were no share movements during the year ended May 31, 2025.

During the year ended May 31, 2024, the Company issued common shares as follow:

- (a) On July 10, 2023, the Company acquired nine mineral claims in the Rollo Township area for 30,000 common shares.
- (b) On March 20, 2024, the Company completed a non-brokered private placement of 6,800,000 common shares at a price of \$0.05 per share, for gross proceeds of \$340,000 (the "Private Placement"). Two of the subscribers in the Private Placement are related parties of the Company. The Company also completed a share for debt transaction with two related parties of the Company settling an aggregate debt of \$52,725. The Company issued a total of 1,054,507 common shares to satisfy such debts at a deemed price per share of \$0.05 (the "Share for Debt Transaction").

### (ii) *Stock Options*

The Company's Stock Option Plan ("the "Plan") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Company's common shares on the date of the grant to directors, officers, employees and consultants to the Company. The option period for options granted under the Plan is for a maximum period of 5 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised.

Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

**Note 11 – Share Capital and Contributed Surplus (Continued)**

**(ii) Stock Options (Continued)**

The following table summarizes information about the stock options outstanding and exercisable:

	Year ended May 31, 2025		Year ended May 31, 2024	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of year*	1,820,000	\$0.50	1,820,000	\$0.50
Expired during the year	(1,820,000)	(0.50)	-	-
<b>Balance at end of year</b>	<b>-</b>	<b>\$ -</b>	<b>1,820,000</b>	<b>\$0.50</b>
<b>Exercisable at end of the year</b>	<b>-</b>	<b>\$ -</b>	<b>1,820,000</b>	<b>\$0.50</b>

\* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Stock Options and their exercise price has been retroactively adjusted to reflect the stock consolidation.

**(iii) Warrants**

The following table summarizes information about the warrants outstanding and exercisable:

	May 31, 2025		May 31, 2024	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance at beginning of year*	-	\$ -	235,167	\$0.50
Issued	-	-	-	-
Expired during the year	-	-	(235,167)	0.50
<b>Balance at end of year</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>

\* On October 3, 2023, the Company effected a 5-for-1 stock consolidation to the existing Common Shares. The number of the Company's Warrants and their exercise price has been retroactively adjusted to reflect the stock split.

**12. Financial Instruments at Fair Value**

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Company's marketable securities and investments fall:

	May 31, 2025			May 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Marketable securities	\$ 36,301	\$ -	-	\$ 35,583	\$ -	-
Options on listed securities	-	40,434	-	-	107,686	-
	<b>\$ 36,301</b>	<b>\$ 40,434</b>	<b>-</b>	<b>\$ 35,583</b>	<b>\$ 107,686</b>	<b>-</b>

### **13. Financial Instruments Risk Management**

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The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

#### ***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank account at a large financial institution.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is debt and equity financing, which is used to finance working capital and capital expenditure requirements, and to meet the Company's financial obligations associated with financial liabilities.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. All of the Company's financial liabilities have contractual maturities of less than one year and are subject to normal trade terms. The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional debt or equity financing. It is anticipated that the Company will continue to rely on debt or equity financing to meet its ongoing working capital requirements. At year end the Company has a working capital deficiency in the amount of \$228,114 and therefore liquidity risk is considered high.

#### ***Market risk***

The Company's marketable securities and investments are classified as fair value through profit or loss and are subject to changes in the market prices. They are recorded at fair value in the Company's consolidated financial statements, based on the closing market value at the end of the period for each security included.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk through its financial instruments bearing interest, such as loan from related party. The Company does not have any debt with variable interest rates, thereby minimizing the Company's exposure to cash flow interest rate risk.

The Company is exposed to foreign exchange risk from purchase transactions denominated in foreign currencies. As at May 31, 2025, the Company does not have any significant financial assets and liabilities denominated in foreign currencies.



## **14. Related Party Transactions**

The Company's related parties include its key management, shareholder and their close family members, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company had the following transactions and balances with its related parties:

	<b>May 31, 2025</b>	<b>May 31, 2024</b>
Management fees and consulting fees	\$ -	\$40,733
Professional fees	-	28,000
Professional fees charged to exploration properties	-	6,700
Interest expense	3,000	10,000
	<u>\$ 3,000</u>	<u>\$85,433</u>
<u>Balances</u>		
Payable	2,756	68,355
Loan from related party	-	300,000
Prepaid	2,500	2,500

Amounts due from and to the related parties are a result of transactions with entities controlled by shareholders, officers or directors of the Company. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the year ended May 31, 2025, the Company repaid \$300,000 to KNP Group Inc. (Note 9).

During the year ended May 31, 2024, KNP Group Inc., a company controlled by the CFO of the Company, acquired 4,000,000 common shares and a director acquired 500,000 common shares in the March 2024 private placement (Note 11). The Company also issued 300,000 common shares to repay debts of \$15,000 owing to the CEO of the Company and 754,507 common shares to repay debts of \$37,725 owing to a company affiliated with a director of the Company (Note 11).

On July 29, 2025, the Company borrowed \$400,000 from KNP Group Inc. (Note 18)

## **15. Capital Management**

The Company considers its capital structure to consist of share capital, contributed surplus and accumulated deficit. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the acquisition, exploration and development of exploration and evaluation asset. 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.

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 May 31, 2025. Neither the Company are subject to externally imposed capital requirements

## **16. Income Taxes**

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The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.50% (May 31, 2024 – 26.50%) to the net loss for the year. The reason for the difference is as follows:

	<b>May 31, 2025</b>	<b>May 31, 2024</b>
Loss before income taxes	\$ (156,891)	\$ (792,536)
Recovery of income taxes based on statutory rate	(41,576)	(210,022)
Net adjustment for:		
Items not deductible for tax purposes	70	400
Marketable securities	17,632	41,429
Share issuance costs	(318)	(318)
Non-taxable portion of realized gain	-	107,964
Adjustment to prior year deferred tax assets	(20,908)	(61,953)
Valuation allowance	47,000	155,000
Income taxes recovery	<u>\$ 1,900</u>	<u>\$ 32,500</u>

The Company's deferred income tax asset, computed by applying a future federal and provincial statutory rate of 26.50%, comprises the following:

	<b>May 31, 2025</b>	<b>May 31, 2024</b>
Net operating losses carried forward	\$913,000	\$889,000
Capital losses carried forward	16,000	-
Resource properties	987,000	998,000
Equipment	5,000	5,000
Marketable securities and investments	88,000	69,000
Other	-	1,000
Net deferred tax assets	2,009,000	1,962,000
Valuation allowance	(2,009,000)	(1,962,000)
Deferred income tax asset	<u>\$ -</u>	<u>\$ -</u>

**Note 16 – Income Taxes (Continued)**

At May 31, 2025, the Company has a non-capital loss of approximately \$3,446,000 available for carry-forward which has not been recognized in these consolidated financial statements. These losses expire, if unused, as follows:

Year	Amount
2026	\$264,000
2027	262,000
2030	31,000
2031	40,000
2032	39,000
2033	21,000
2034	22,000
2035	251,000
2036	320,000
2037	241,000
2038	305,000
2039	295,000
2040	329,000
2041	350,000
2042	194,000
2043	162,000
2044	228,000
2045	92,000
	<u>\$3,446,000</u>

In addition, the Company has approximately \$5,306,000 in Canadian Exploration Expenditures (“CEE”), \$875,000 in Canadian Development Expenditures (“CDE”), which may be applied against certain profit realized on its mining properties and do not expire. The potential benefit of these tax pools has not been recognized within these consolidated financial statements.

**17. Segmented information**

At May 31, 2025 and 2024, the Company is operating in one industry segment, Junior exploration and evaluation and geographically in one country, Canada. The Company ceased operations in Austria during the year ended May 31, 2024.

Except for the proceeds and gain of \$26,438 (May 31, 2024 - \$643,736) from the disposal of certain Austrian claims and the \$Nil (May 31, 2024 - \$996,891) impairment recorded under the Austria segment (Note 8), all other profits and losses fall under the Company’s Canadian segment.

## **18. Subsequent events**

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On July 29, 2025, the Company entered into a loan agreement with KNP Group, Inc. ("KNP") to borrow \$400,000 from KNP with an interest rate of 12% per annum payable in arrears at maturity or full repayment. The loan is repayable on demand.

## **19. Contingency**

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On December 10, 2024, the Company's former exploration manager and his company commenced a claim against the Company for \$80,000 plus interest, alleging breach of contract and/or unjust enrichment relating to purported unpaid invoices. On June 26, 2025, the Company filed a Statement of Defence. The Company disputes the claim and considers it without merit. An amount relating to the disputed invoices has been recorded in accounts payable in the normal course of business. Management believes no additional provision is required. The ultimate outcome of this matter may differ from management's current assessment.

## **20. Comparatives**

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Certain comparative figures included in these consolidated financial statements have been reclassified to conform with the current year presentation.