PACIFIC IMPERIAL MINES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Pacific Imperial Mines Inc.

Opinion

We have audited the consolidated financial statements of Pacific Imperial Mines and its subsidiary (together, the "Company") which comprise:

- the consolidated statements of financial position as at June 30, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' deficiency for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and 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 for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 auditors' 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 auditors' 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 auditors' report is Artem Valeev.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
October ●, 2025

PACIFIC IMPERIAL MINES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

(Expressed in Canadian dollars)

	Note	2025 $	2024 $
ASSETS			
Current assets			
Cash		13,098	19,259
GST receivable		18,373	16,271
Prepaid expenses		-	3,725
Total assets		**31,471**	**39,255**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4	68,585	159,403
Due to related parties	4	74,338	70,300
Related party promissory notes	5	255,700	170,000
Total liabilities		398,623	399,703
DEFICIENCY			
Share capital	6	4,705,278	4,668,449
Contributed surplus		2,661,144	2,661,144
Deficit		(7,733,574)	(7,690,041)
Total deficiency		(367,152)	(360,448)
Total liabilities and deficiency		**31,471**	**39,255**

Nature of business and going concern (Note 1)

Subsequent events (Note 3 and 10)

Approved on behalf of the Board of Directors:

"Chris McLeod"
Chris McLeod,
Director

"Peter Holbek"
Peter Holbek,
Director

(The accompanying notes are an integral part of these consolidated financial statements)

PACIFIC IMPERIAL MINES INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the Years Ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

	Note	2025 $	2024 $
Exploration costs	3	26,800	6,429
General and administrative expenses			
Accounting and audit		32,395	31,839
Legal		25,307	9,636
Office and miscellaneous		15,132	13,146
Shareholder communications		1,560	8,959
Transfer agent fees		-	4,150
Travel		16,020	-
Loss before other items		117,214	74,159
Other items			
Interest (income) expense		(23)	6,099
Gain on settlement of debt	6	(73,658)	-
Net loss and comprehensive loss		**43,533**	**80,258**
Loss per share, basic and diluted		-	-
Weighted average shares outstanding		82,316,407	79,077,468

(The accompanying notes are an integral part of these consolidated financial statements)

PACIFIC IMPERIAL MINES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

For the Years Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars, except number of shares)

	Share Capital				
	Number of Shares	**Amount $**	**Contributed Surplus $**	**Deficit $**	**Total $**
Balance, June 30, 2023	79,077,468	4,668,449	2,661,144	(7,609,783)	(280,190)
Net loss for the year	-	-	-	(80,258)	(80,258)
Balance, June 30, 2024	**79,077,468**	**4,668,449**	**2,661,144**	**(7,690,041)**	**(360,448)**
Shares issued for debt settlement	3,682,906	36,829	-	-	36,829
Net loss for the year	-	-	-	(43,533)	(43,533)
Balance, June 30, 2025	**82,760,374**	**4,705,278**	**2,661,144**	**(7,733,574)**	**(367,152)**

(The accompanying notes are integral part of these consolidated financial statements)

PACIFIC IMPERIAL MINES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

		2025 $	2024 $
OPERATING ACTIVITIES			
Loss for the year		(43,533)	(80,258)
Adjustments for non-cash items:			
Gain on settlement of debt	6	(73,658)	-
		(117,191)	(80,258)
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities		19,669	28,309
GST receivable		(2,102)	(2,923)
Due to related parties		4,038	14,500
Prepaid expenses		3,725	(1,850)
Net cash used in operating activities		(91,861)	(42,222)
FINANCING ACTIVITIES			
Related party promissory notes	5	85,700	50,000
Net cash provided by financing activities		85,700	50,000
Change in cash		(6,161)	7,778
Cash, beginning of year		19,259	11,481
Cash, end of year		**13,098**	**19,259**

Supplemental disclosure of cash flow information:		
Interest paid in cash	-	-
Income tax paid in cash	-	-

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Business and Going Concern

Pacific Imperial Mines Inc. ("the Company") was incorporated under the British Columbia Business Corporations Act since September 18, 1987. The Company's shares are listed on the TSX Venture Exchange. The Company's principal office is located at Suite 400, 1681 Chestnut Street, Vancouver, B.C. Canada V6J 4M6. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

These consolidated financial statements of the Company have been prepared on a going-concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not generated cash flows from operations and has an accumulated deficit of $7,733,574,251 as at June 30, 2025. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing or generating revenues sufficient to cover its operating costs. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not give effect to adjustments, if any, 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 in other than the normal course of business and at amounts which may differ from those shown in the consolidated financial statements.

2. Summary of Material Accounting Policies

(a) Basis of presentation and statement of compliance with IFRS Accounting Standards

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are recorded at fair value as described in Note 2(l). In addition, these consolidated financial statements have been prepared using the accrual method of accounting except for cash flow information.

(b) Use of estimates and judgments

Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes to the consolidated financial statements during the reporting period.

Areas requiring the use of management estimates include the decommissioning liabilities on mineral interests. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from those estimates.

2. Summary of Material Accounting Policies (continued)

(b) Use of estimates and judgments (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Critical judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the next year. Critical accounting judgements is going concern.

(c) Consolidation

These consolidated financial statements include the financial statements of the Company and of its wholly-owned subsidiary Pacific Imperial Mines Nevada Inc. All intercompany transactions have been eliminated in the preparation of consolidated financial statements.

(d) Cash equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into known amounts of cash that have original maturities of three months or less when purchased.

(e) Impairment

Non-financial assets with finite lives are tested for impairment at the end of each reporting period. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized in earnings or the results of discontinued operations, as appropriate, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The Company evaluates impairment losses other than goodwill impairment, for potential reversals, when events or changes in circumstances warrant such consideration.

(f) Mineral interests

The Company follows the method of accounting for its mineral interests whereby costs for acquisition of mineral interest or rights to explore and costs related to exploration and evaluation of a property are expensed as they are incurred until such time as the technical feasibility and commercial viability of the project is demonstrable. Development costs incurred are capitalized after the technical feasibility and commercial viability of a project is demonstrated and a development decision has been made. The capitalized costs of the related property are depreciated using the units of production method on commencement of commercial production. If it is determined that capitalized costs are not recoverable, or management has determined an impairment in value, the property is written down to its recoverable amount. Mineral properties capitalized are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

2. Summary of Material Accounting Policies (continued)

(g) Decommissioning liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding expense is recorded to net loss in the period that it is recognized. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at June 30, 2025, the Company had accrued $1,400 (2024 - $1,400) in decommissioning liabilities related to the exploration and development of its mineral interests.

(h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(i) Income taxes

Income tax expense comprises current and deferred income tax. Tax is recognized in the income statement except to the extent that it relates to items recognized directly into equity, in which case the related tax effect is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable income. Deferred tax is calculated based on the expected manner in which temporary differences related to the carrying amounts of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement using tax rates and laws enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination and which do not affect accounting or taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

(j) Basic and diluted loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

2. Summary of Material Accounting Policies (continued)

(j) Basic and diluted loss per share (continued)

The Company has a share-based payment plan as disclosed in Note 6, whereby stock options are granted in accordance with the policies of regulatory authorities. The Company uses a fair value based method of accounting for stock options to directors and employees. Stock options granted to non-employees are valued based on the fair value of the goods or services received or when fair value cannot be estimated reliably, the Company computes a fair value using the Black-Scholes option pricing model with assumptions for risk-free interest rate, volatility, expected forfeiture and life of the options or warrants. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The cost is recognized over the applicable vesting period as an increase in share-based payment expense, with the offset credit to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

(k) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in the share warrant reserve. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments. Warrant modifications are not re-measured and adjusted within equity.

(l) Financial instruments

Financial assets

Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("FVOCI"), or through profit or loss ("FVTPL")), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Summary of Material Accounting Policies (continued)

(l) Financial instruments (continued)

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method. The Company has not designated any financial assets at amortized cost.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method. The Company has not designated any financial assets at FVOCI.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises. The Company has classified its cash as FVTPL.

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- FVTPL; and
- Amortized cost.

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or at amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred.

The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL.

2. Summary of Material Accounting Policies (continued)

(l) Financial instruments (continued)

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company has classified its accounts payable, amounts due to related parties and related party promissory notes as amortized cost.

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

(m) Foreign exchange

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The accounts recorded in foreign currencies have been translated into Canadian dollars on the following basis:

(1) monetary assets and liabilities at the rate of exchange in effect at the consolidated financial statement date;

(2) non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and

(3) revenue and expenses at the exchange rates prevailing as of the date of the transaction.

(n) Leases

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

A lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrow rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2. Summary of Material Accounting Policies (continued)

(n) Leases (continued)

Right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

During the year ended June 30, 2025, all of the Company's leases are short-term lease with a term of 12 months or less and are recorded as an operating lease. The Company had not leased any assets in 2025

(o) Flow-through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to share capital based on the market close price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Flow-through premium liability – equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability
- Share capital – the market close price of the common share
- Contributed Surplus – the residual proceeds allocated to the warrants

Thereafter, as qualifying resource expenditures are incurred, these costs are charged to operations and the associated flow-through premium, if any, is recognized as other income.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares, if any. For this adjustment, the

Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule that remains unspent, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(p) Adoption of New or Amended Accounting Standards

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

3. Mineral Interests

Brownell Lake Property, Saskatchewan

On March 21, 2023, the Company entered into an Option Agreement with Eagle Plains Resources Ltd. (“Eagle Plains”) whereby the Company can acquire 60% interest in the Brownell Lake property consisting of the three mineral dispositions located approximately 17 km northwest of Deschambault Lake, Saskatchewan.

Upon the exercise of the option, the Company will own a 60% interest and Eagle Plains will own a 40% interest in the Property, and the parties will enter into a joint venture agreement to further explore and develop the Property to bring it into commercial production. The Property is subject to a 2% net smelter returns royalty owing to Eagle Royalties Ltd.

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to Eagle Plains as follows:

Time	Aggregate Exploration Expenditures $	Cash $	Shares
Three business days following the TSX Approval**	-	-	130,000
May 1, 2023 *	100,000	-	-
December 31, 2023	-	***25,000	130,000
December 31, 2024	200,000	50,000	130,000
December 31, 2025	700,000	100,000	130,000
December 31, 2026	1,500,000	125,000	200,000
December 31, 2027	2,500,000	200,000	280,000
TOTAL	**5,000,000**	**500,000**	**1,000,000**

**Exploration expenditures completed as of June 30, 2023.*
*** Conditions not met as of June 30, 2025.*
****Paid through issue of shares as per the debt settlement agreement (Note 6)*

The Brownell Property Option Agreement covered three mineral claims was subject to the Company obtaining the approval of the TSX Venture Exchange. The common shares to be issued under the Option Agreement were to be subject to a hold period of four months and one day from the date of issuance, in accordance with applicable securities laws. The Company did not request the TSX approval and was also unable to meet the other conditions under the Option Agreement. In addition, one of the three mineral claims included in the agreement is no longer active as at June 30, 2025. Accordingly, the Option Agreement was not in good standing as at June 30, 2025.

Babine Property, British Columbia

On March 31, 2023, the Company entered into a Binding Letter agreement with Galambos, Keefe, Turford, and Anderson (“Optionor”) whereby the Company can earn up to an 100% interest in the three mineral claims located 1.5 km north of the Granisle Mine, British Columbia. The Babine property is subject to a 2% net smelter returns royalty held by the Optionor.

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to the Optionor as follows:

(Expressed in Canadian Dollars)

Time	Aggregate Exploration Expenditures $	Cash $	Share Issuance $
On or before the Closing Date (Subject to TSX approval)*	49,500	-	7,500
On or before the first anniversary of the Closing Date	100,000	7,500	7,500
On or before the second anniversary of the Closing Date	250,000	20,000	20,000
On or before the third anniversary of the Closing Date	500,000	37,500	37,500
On or before the fourth anniversary of the Closing Date	1,455,000	96,250	96,250
TOTAL	**2,354,500**	**161,250**	**168,750**

**Conditions not met as of June 30, 2025.*

On October 23, 2025, the Company entered into a revised agreement with the optionor, amending the original agreement dated March 21, 2023. Under the original agreement, five mineral claims were included, of which two were subsequently forfeited. The revised agreement applies to the remaining three mineral claims. Under the amendment, both parties agreed to revise the total consideration and the required exploration expenditures, including the timelines for payment of the consideration and completion of the exploration work.

The terms of the amendment agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to the Optionor as follows:

Time	Aggregate Exploration Expenditures $	Cash or share payment $	Share Issuance
On or before the December 31, 2025(Subject to TSX approval)	6,000	-	300,000
On or before July 31, 2026	50,000	-	150,000
On or before Dec 31, 2026	-	-	150,000
On or before Dec 31, 2027	200,000	-	150,000
On or before Dec 31, 2028	500,000	45,000	-
On or before Dec 31, 2029	1,000,000	75,000	-
TOTAL	**1,756,000**	**120,000**	**750,000**

The Option Agreements are subject to the Company obtaining the approval of the TSX Venture Exchange. The Common Shares issued under the Option Agreement will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws.

<u>PAM Property, British Columbia</u>

On March 31, 2023, the Company entered into a Binding Letter agreement with Galambos, Keefe, and Turford, ("Optionor") whereby the Company can earn up to an 100% interest in the seven mineral claims located 25 km northeast of the Huckleberry Cu-Mo Mine, British Columbia. The PAM property is subject to a 2% net smelter returns royalty held by the Optionor.

(Expressed in Canadian Dollars)

The terms of the agreement require the Company to incur the following exploration expenditures, make the following cash payments and issuance of shares to the Optionor as follows:

Time	Aggregate Exploration Expenditures $	Cash $	Share Issuance $
On or before the Closing Date (Subject to TSX approval)*	63,500	-	10,000
On or before the first anniversary of the Closing Date*	100,000	12,500	12,500
On or before the second anniversary of the Closing Date*	250,000	20,000	20,000
On or before the third anniversary of the Closing Date	500,000	37,500	37,500
On or before the fourth anniversary of the Closing Date	1,500,000	95,000	95,000
TOTAL	**2,413,500**	**165,000**	**175,000**

**Conditions not met till date of termination of agreement..*

On October 28, 2024, the Company terminated the PAM property option agreement with Optionors in accordance with the March 31, 2023 agreement. Further as per the termination agreement the optionor release the Company from any outstanding payments and obligation as per the option agreement.

Eagle Mountain Property, California

The Company has acquired by staking a 100% interest in the Eagle Mountain Lithium prospect located in Inyo County, California, within 15 kilometers of the Nevada border. The property currently consists of 21 placer claim units located in the Alkali Flats area, near Death Valley Junction and covering most of the Eagle Mountain Salina.

On September 12, 2018, the Company entered into a Staking Agreement with Star Peak Mining LLC to stake mining claims near Death Valley Junction California on behalf of Pacific Imperial Mines Nevada Inc. In accordance with the agreement, Star Peak Mining LLC staked 77 new placer claims and re-staked 90 existing placers claims on behalf of the Company under the name Pacific Imperial Mines Nevada Inc. All other previously staked claims were abandoned.

On March 29, 2019, the Company staked an additional 56 claims in Inyo County, California to expand the Eagle Mountain property. At that time the Company held 223 claims. For the year ended June 30, 2023 the Company dropped many additional claims and held 21 placer claims. On September 1, 2024, the Company dropped the remaining claims and no longer holds any claims.

(Expressed in Canadian Dollars)

3. Mineral Interests (continued)

During the years ended June 30, 2025, and 2024, the Company incurred the following exploration costs:

	2025 **$**	**2024** **$**
Brownell (BLP)		
Option payment	25,000	-
Assay and sampling	-	6,062
	25,000	6,062
PAM Project		
Claim fees	1,800	367
	1,800	367
Total	**26,800**	**6,429**

4. Related Party Balances and Transactions

During the years ended June 30, 2025 and 2024, the Company had the following transactions with related parties:

Key management compensation

Key management consists of senior officers and directors of the Company; their compensation is as follows:

	2025 **$**	**2024** **$**
Consulting fees	15,300	14,500
Total	**15,300**	**14,500**

As at June 30, 2025 there was $74,338 (2024 - $70,300) owing to officers of the Company for consulting fees.

During the year ended June 30, 2025, a total of $6,396 (2024 - $12,281) of Company expenses were directly paid for by related parties. As at June 30, 2025 included in accounts payable and accrued liabilities was a total of $20,573 (2024 - $19,721) owed to related parties as a result of these transactions.

Related party amounts are unsecured, non-interest bearing and due on demand. These transactions are measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

(Expressed in Canadian Dollars)

5. Related Party Promissory Notes

On July 21, 2022 and April 12, 2023, the Company received from its directors a total of $120,000 interest free working capital loan which is unsecured and due on demand. On October 30, 2023, the Company received $50,000 from its directors, interest free working capital loan, which is unsecured and due on demand.

On October 18, 2024, January 30, 2025 and May 26, 2025, the Company received $85,700 from its directors, interest free working capital loan, which is unsecured and due on demand.

6. Share Capital

(a) Authorized: unlimited common shares with no par value

(b) Issued and outstanding:

<u>During the year ended June 30, 2025</u>

On August 13, 2024, the Company completed a debt settlement through the issuance of 3,682,906 common shares at a fair value price of $0.01 per share to settle debt owing for trade payables relating to exploration expenses by a non-related party for a total amount of $110,487. Included in that amount, is $25,000 for an option payment on the Brownell Property agreement. Gain on settlement of debt was $73,658. The shares issued pursuant to the Debt Settlement are subject to the TSX Venture Exchange hold period, plus a hold period of four months and one day expiring on December 14, 2024.

<u>During the year ended June 30, 2024</u>

The Company did not issue any common shares during the year ended June 30, 2024.

(c) Options

The Company has adopted a stock option plan whereby the Company can grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding share capital of the Company from time to time.

The following table summarizes the continuity of the Company's stock options issued and outstanding at June 30, 2025 and 2024:

	Number of options	**Weighted average exercise price**
Balance, June 30, 2023	6,000,000	$0.05
Issued/Expired	-	-
Balance, June 30, 2024	6,000,000	$0.05
Forfeited	(1,150,000)	$0.05
Balance, June 30, 2025	**4,850,000**	**$0.05**

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) Options (continued)

The following table summarizes the number of stock options outstanding and exercisable at June 30, 2025:

		Options Outstanding		Options Exercisable	
Expiry Date	**Exercise price**	**Number of options**	**Weighted average remaining contractual life in years**	**Number of options**	**Weighted average remaining contractual life in years**
September 29, 2025	$0.05	2,200,000	0.2	2,200,000	0.2
February 10, 2026	$0.05	100,000	0.6	100,000	0.6
June 15, 2026	$0.05	2,550,000	1.0	2,550,000	1.0
		4,850,000	**0.6**	**4,850,000**	**0.6**

For the year ended June 30, 2025, the Company recognized a share based compensation expense of $Nil (2024 - $Nil).

(d) Warrants

The following table summarizes the Company’s warrants during the years ended June 30, 2025 and 2024 as follows:

	Number of warrants	**Weighted average exercise price**
Balance, June 30, 2023	3,800,000	$0.10
Issued/Expired	-	-
Balance, June 30, 2024	3,800,000	$0.10
Expired	(3,800,000)	$0.10
Balance, June 30, 2025	**-**	**-**

As of June 30, 2025 there are no share purchase warrants outstanding.

7. Management of Capital

The Company’s objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company’s investment policy is to invest its cash in financial instruments with financial institutions with terms to maturity selected to match expected timing of expenditures from continuing operations.

8. Financial Instruments and Financial Risk

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash, accounts payable, amounts due to related parties and related party promissory notes. The following table summarizes information regarding the carrying values of the Company's financial instruments:

	2025 $	2024 $
Assets as FVTPL (i)	13,098	19,259
Liabilities at amortized cost (ii)	398,623	399,703

(ii) Cash
(iii) Accounts payable, amounts due to related parties and related party promissory notes.

Fair Value

For fair value estimates, the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Cash is measured at fair value on a recurring basis using Level 1 inputs. The estimated fair values of accounts payable and amounts due to related parties approximate their respective carrying values due to their short periods to maturity.

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

Credit Risk

The Company is not exposed to significant credit risk. The Company limits exposure to credit risk by maintaining its cash with financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuances when required. All the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See Note 1 that describe the material uncertainties that cast significant doubt over the Company's ability to continue as a going concern.

(Expressed in Canadian Dollars)

8. Financial Instruments and Financial Risk (continued)

Foreign Exchange Risk

As at June 30, 2025 the Company is not exposed to significant foreign exchange risk. The Company does not actively manage this risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

9. Income Taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2025	2024
Canadian statutory tax rate	27%	27%
	$	$
Income tax (recovery) at combined statutory rate	(12,000)	(22,000)
Non-deductible and other items	(20,000)	1,000
Change in deferred tax asset not recognized	32,000	21,000
Deferred income tax recovery	$ -	$ -

As June 30, 2025 and 2024 the amount of deductible temporary differences for which no deferred tax assets is recognized in the statements of financial position is as follows:

	2025		2024	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Canadian statutory tax rate		27%		27%
	$	$	$	$
Non-capital losses	2,919,000	788,000	2,829,000	764,000
Capital losses	284,000	77,000	284,000	77,000
Mineral properties and other assets	1,647,000	445,000	1,620,000	437,000
Share issuance costs	-	-	-	-
	4,850,000	1,310,000	4,733,000	1,278,000
Unrecognized deferred tax assets	(4,850,000)	(1,310,000)	(4,733,000)	(1,278,000)
Net deferred tax assets not recognized	-	-	-	-

The Company has non-capital losses for income tax purposes of approximately $2,919,000 (2024 - $2,829,000) which may be carried forward and offset against future taxable income. These losses expire from 2035 to 2045.

10. Subsequent events

On October 14, 2025, the Company received $14,000 from its director, interest free working capital loan, which is unsecured and due on demand.