



FINANCIAL STATEMENTS
Years Ended October 31, 2024 and 2023
(Expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

The accompanying financial statements of Bessor Minerals Inc. (the "Company" or "Bessor") were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Management is responsible for ensuring that these financial statements, which include amounts based upon estimates and judgments, are consistent with other information and operating data contained in the annual financial review and reflect the Company's business transactions and financial position.

Management is also responsible for the information disclosed in the Company's management's discussion and analysis including responsibility for the existence of appropriate information systems, procedures, and controls to ensure that the information used internally by management and disclosed externally is complete and reliable in all material respects.

In addition, Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The internal control system includes a code of conduct and ethics, which is communicated to all levels in the organization and requires all employees to maintain high standards in their conduct of the Company's affairs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the financial statements and the auditor's report. An Audit Committee of the Board of Directors (the "Audit Committee") assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the financial statements and the auditor's report. The Audit Committee also reviews the Company's management's discussion and analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The financial statements have been audited.

"Jason Riley"

President and Chief Executive Officer

"Jeanie Yu"

Chief Financial Officer



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Bessor Minerals Inc.

Opinion

We have audited the financial statements of Bessor Minerals Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that as at October 31, 2024 the Company is not able to finance day to day activities through operations and has an accumulated deficit of \$10,946,862. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.

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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 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 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, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 David Goertz.

A handwritten signature in black ink, appearing to read "DMCL.", is positioned above the firm's name.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 24, 2025

BESSOR MINERALS INC.

Statements of Financial Position

As at October 31, 2024 and 2023

(Expressed in Canadian Dollars)

	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 49,326	\$ 280,280
Accounts receivable		3,337	673
Prepaid expenses		914	904
		53,577	281,857
Non-current assets			
Reclamation Advance	5	5,000	5,000
Mineral exploration and evaluation assets	6, 8	2	632,508
Total assets		\$ 58,579	\$ 919,365
LIABILITIES and SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 46,634	\$ 30,200
Total liabilities		46,634	30,200
SHAREHOLDERS' EQUITY			
Share capital	6	9,902,271	9,902,271
Reserves		1,056,536	1,056,536
Deficit		(10,946,862)	(10,069,642)
Total shareholders' equity		11,945	889,165
Total liabilities and shareholders' equity		\$ 58,579	\$ 919,365

NATURE OF OPERATIONS (Note 1)

Approved on behalf of the Board of Directors:

<i>"Kieran Downes"</i>		<i>"Jason Riley"</i>	
..... Director		 Director	
Kieran Downes		Jason Riley	

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

BESSOR MINERALS INC.**Statements of Loss and Comprehensive Loss
For the Years Ended October 31, 2024 and 2023**
(Expressed in Canadian Dollars)

	Notes	2024	2023
Expenses			
General and administration	8	\$ 18,264	\$ 16,306
Impairment of exploration and evaluation assets	6	719,898	-
Management fees	8	30,133	24,500
Professional fees		89,884	45,243
Public company costs		21,992	15,008
Travel and related costs		2,630	265
Loss before other income		(882,801)	(101,322)
Other Income (Loss)			
Interest income		5,581	7,933
Net loss and comprehensive loss for the year		\$ (877,220)	\$ (93,389)
Weighted average number of common shares outstanding		26,285,623	26,285,623
Loss per common share			
Basic and diluted		\$ (0.03)	\$ (0.00)

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

BESSOR MINERALS INC.**Statements of Changes in Shareholders' Equity****For the years ended October 31, 2024 and 2023**

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Equity
Balance, October 31, 2022	26,285,623	\$ 9,902,271	\$ 1,056,536	\$ (9,976,253)	\$ 982,554
Net loss for the year	-	-	-	(93,389)	(93,389)
Balance, October 31, 2023	26,285,623	9,902,271	1,056,536	(10,069,642)	889,165
Net loss for the year	-	-	-	(877,220)	(877,220)
Balance, October 31, 2024	26,285,623	\$ 9,902,271	\$ 1,056,536	\$ (10,946,862)	\$ 11,945

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

BESSOR MINERALS INC.

Statements of Cash Flow

For the Years Ended October 31, 2024 and 2023

(Expressed in Canadian Dollars)

	2024	2023
OPERATING ACTIVITIES		
Net loss for the year	\$ (877,220)	\$ (93,389)
Item not involving cash:		
Impairment of exploration and evaluation assets	719,898	-
Changes in non-cash working capital		
Accounts receivable	(2,664)	4,872
Prepaid expenses	(10)	(334)
Accounts payable and accrued liabilities	4,583	(29,978)
Cash used in operating activities	(155,413)	(118,829)
INVESTING ACTIVITIES		
Investment in mineral exploration and evaluation assets	(75,541)	(18,928)
Proceeds from the sale of marketable securities	-	22,500
Cash provided by (used in) investing activities	(75,541)	3,572
Increase (Decrease) in cash and cash equivalents	(230,954)	(115,257)
Cash and cash equivalents, beginning of year	280,280	395,537
Cash and cash equivalents, end of year	\$ 49,326	\$ 280,280
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 5,581	\$ 7,933
Exploration and evaluation expenditures in accounts payable	\$ 11,851	\$ -
CASH AND CASH EQUIVALENTS		
Cash	\$ 10,448	\$ 16,983
Guaranteed investment certificates	38,878	263,297
Cash and cash equivalents, end of year	\$ 49,326	\$ 280,280

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

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Bessor Minerals Inc. (the "Company" or "Bessor") was incorporated on June 4, 2007 under the *Business Corporations Act* (Alberta). The address of its head office is Suite 1615 – 200 Burrard Street, Vancouver, British Columbia. The registered and records office of Bessor is located at Suite 250 – 2nd Street SW, Calgary, Alberta T2P 0C1,

The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. On March 21, 2022, the Company was transferred to the NEX board of the TSX Venture Exchange ("TSX-V"). Effective February 9, 2024, the Company graduated from the NEX board to Tier 2 of the TSX-V. The Company trades on the TSX-V under the trading symbol "BST.V".

These financial statements 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 for the foreseeable future. For the year ended October 31, 2024, the Company has negative cash flow from operations and recurring operating losses and as at that date, has an accumulated deficit of \$10,946,862. The continuing operations of the Company are dependent upon its ability to obtain sufficient financing and the success of its exploration activities. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The financial statements (the "Financial Statements") of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Standards ("IFRS") and International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB").

These Financial Statements for the year ended October 31, 2024 were approved and authorized for issuance by the Board of Directors on February 24, 2025.

(b) Measurement basis

The Financial Statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the entity operates. The Financial Statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments that are stated at their fair values.

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS

(a) Significant accounting judgments, estimates and assumptions

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, the recoverability and measurement of deferred income tax assets and liabilities, and the recognition and valuation of provisions for restoration and environmental liabilities. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

(a) Significant accounting judgments, estimates and assumptions (continued)

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Financial Statements within the next financial year include the Company's going concern assessment.

(b) Cash and cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis.

(c) Mineral exploration and evaluation assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to development are accounted for as an asset only when technical feasibility and commercial viability of a specific area are demonstrable and when recognition criteria of International Accounting Standard ("IAS") 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

All costs related to investments in mineral property interests are capitalized on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures associated with finding specific mineral resources, net of any recoveries. Costs related to production and administrative expenses and other general indirect costs are expensed.

Upon reaching commercial production, these capitalized costs will be amortized to the residual values, if any, using either the straight-line method over the shorter of the estimated useful life of the asset or the life of mine ("LOM") or the units-of-production method over the estimated recoverable ounces.

Management at least annually assesses carrying values of properties for which events and circumstances may indicate possible impairment. Impairment indicators relevant for exploration and evaluation properties include:

- the rights to explore the area of interest have expired during the period or are near to expiry with no expectation of renewal;
- substantive expenditures on further exploration and evaluation are not planned or budgeted;
- exploration work is discontinued in an area for which commercially viable quantities have not been discovered
- there are unfavourable changes in the property economics or indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or sale.

In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of exploration and evaluation assets and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, the ability to acquire the necessary permits and approvals, and the profitability of future operations. The Company has not yet determined if any of its future exploration and evaluation properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation properties as exploration and development costs do not necessarily reflect present or future values.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

(c) Mineral exploration and evaluation assets (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Once an economically able reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

(d) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss except for items recognized directly in equity or other comprehensive income. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

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.

(e) 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 of the obligation can be made. 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.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred.

At each financial reporting date presented, the Company has not incurred any decommissioning costs related to the mineral exploration and evaluation assets, and accordingly, no provision has been recorded for such site reclamation or abandonment.

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

(f) Share-based payments

The Company has a stock option plan that is described in Note 7(c) and grants share options to acquire common shares of the Company to directors, officers, employees and consultants.

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the equity instruments issued on the grant date using Black-Scholes option pricing model and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payment reserve.

Consideration received on the exercise of stock options is recorded as share capital and the amount reflected in reserves is transferred to share capital. Amounts recorded in reserve for unexercised share options remain in reserve upon their expiry or cancellation.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(g) Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

(h) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period 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 reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive and as a result diluted loss per share is equal to the basic loss per share.

(i) Equity financing

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 accounted for using the residual method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares, being the closing bid price on announcement date, and any residual value is allocated to common share purchase warrants.

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

(j) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Flow-through shares

The Company will from time to time, finances a portion of its exploration activities through the issue of flow-through common shares.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The shares issued require that the Company make certain qualifying expenditures for tax purposes within two years of issuance, the deduction of which flow through to the shareholders. Accordingly, the Company is not entitled to the related taxable income deductions for such expenditures, giving rise to taxable temporary differences for accounting purposes. A portion of the deferred income tax assets that were not recognized in previous years are recognized as a recovery of income taxes in the statement of loss and comprehensive loss.

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium ("other liability") and is reversed into net loss as a deferred tax recovery when the eligible expenditures are incurred, and the Company has enough available unused non-capital losses. If the flow-through shares are not issued at a premium, a liability is not recorded.

(k) Financial instruments

Financial assets

At initial recognition, financial assets are classified as financial assets measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component

in accordance with IFRS 9, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets measured at amortized costs

A financial asset is measured at amortized cost if it meets the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding; and
- It is not designated as fair value through profit or loss.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Cash and cash equivalents, and certain assets within Receivables are included in this category of financial assets.

BESSOR MINERALS INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended October 31, 2024 and 2023
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS(continued)

Financial assets (continued)

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVTOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVTOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss. The Company does not have any financial assets designated as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost or FVTOCI, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities), financial liabilities that arise when a transfer of financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market rate or contingent consideration recognized by an acquirer in a business combination. Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability

are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

Financial Liabilities Measured at Amortized Cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payables are included in this category of financial liabilities.

Financial Liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred. The Company does not have any liabilities measured at FVTPL.

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3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

Financial liabilities (continued)

The Company classifies its financial instruments as follows:

Financial Assets	Classification under IFRS 9
Cash and cash equivalents	FVTPL
Accounts Receivable	Amortized cost
Marketable securities	FVTPL
Reclamation advance	Amortized cost
Financial Liabilities	
Accounts payable	Amortized Cost

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

(l) Foreign exchange

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the statement of financial position, while non-monetary assets and liabilities are translated at historical rates. Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded in profit or loss in the period in which they occur.

(m) Adoption of new and revised standards and interpretation

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the October 31, 2024, reporting period and have not been early adopted by the Company.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

This amendment clarifies the requirement in determining whether a certain liability should be classified as current or noncurrent based on the rights that exist at the end of the reporting period, explains that rights are in existence if covenants are complied with at the end of the reporting period, and introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendment is to be applied retrospectively for annual periods beginning on or after January 1, 2024, with early adoption permitted.

IFRS 18, Presentation and Disclosures in Financial Statements ("IFRS 18")

This is a new standard on presentation and disclosure in financial statements which replaces IAS 1, with a focus on updates to the statement of profit or loss. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retrospective application with specific transition provisions. The Company is assessing the impact of this new standard.

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3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS (continued)

(m) Adoption of new and revised standards and interpretation (continued)

Other new standards and interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements

4. CASH AND CASH EQUIVALENTS

At October 31, 2024, the Company held one cashable guaranteed investment certificate ("GIC") with a total value of \$38,878 (2023 - \$263,297), interest-bearing at 3.35% and a maturity date of October 23, 2025. The GIC can be redeemed at any time.

5. RECLAMATION ADVANCE

During the year ended October 31, 2015, the Company advanced \$5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (Note 6). The deposit is non-interest bearing.

6. MINERAL EXPLORATION AND EVALUATION ASSETS

Redhill Property – British Columbia, Canada

On July 8, 2015, the Company entered into an option agreement ("Redhill Option Agreement") with Homegold Resources Ltd. ("Homegold") to acquire a 100% interest in the Redhill property located approximately eighty kilometers west of Kamloops and ten kilometers south of Ashcroft, British Columbia. Amendments relating to option payments in cash or common shares and exploration expenditures were made to the Redhill Option Agreement on July 30, 2019, September 15, 2020, September 22, 2022, September 20, 2023 and September 26, 2024 (collectively as "Redhill Amendments"), with all other terms of the Redhill Option Agreement remain in force, unchanged.

Under the amended terms of the Redhill Amendments, the Company has the right to acquire a 100% interest in the Redhill property by making the following option payments and exploration expenditures as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on or before each of July 8, 2016 and July 8, 2017 (paid);
- \$10,000 on or before July 8, 2018 (paid);
- \$7,500 and 300,000 common shares of the Company upon TSX-V acceptance of the July 30, 2019 amendment (paid and issued);
- \$5,000 and 300,000 common shares of the Company upon TSX-V acceptance of the September 15, 2020 amendment (paid and issued);
- \$17,500 and 500,000 common shares of the Company on or before July 8, 2021 (paid and issued);
- \$15,000 and 500,000 common shares of the Company on or before October 7, 2022 (paid and issued);
- \$10,000 in 2023 in accordance with the September 20, 2023 amendment (paid);
- \$5,000 on or before September 30, 2024 in accordance with the September 26, 2024 amendment (paid);

As at October 31, 2024, a total of the option payments was paid in \$85,000 in cash and 1,600,000 common shares with a total fair value of \$135,000.

During the year ended October 31, 2024, the Company incurred \$25,662 (2023 - \$27,463) in exploration expenditures on the Redhill Property. As at October 31, 2024, the Company has incurred a cumulative total of \$613,998 (2023 - \$588,336) in exploration expenditures.

In accordance with the September 26, 2024 amendment, the company has the following commitments:

- a) Issuance of additional 1,000,000 common shares within 10 days of receiving the TSX-V approval of the September 26, 2024 amendment for a cumulative total of 2,600,000 common shares;
- b) Remaining cash payments of \$10,000 due on or before September 30, 2025 and \$25,000 due on or before September 30, 2026 for a cumulative total of \$120,000 cash payments;

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6. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Redhill Property – British Columbia, Canada (continued)

- c) In addition to the cumulative total of \$613,998 in exploration expenditures incurred to date up to October 31, 2024, the remaining must spend is \$50,000 on drilling the Redhill property. The remaining must spend has no timeline until the Company receives a drilling permit which then triggers a 12-month time limit to complete the must spend of \$50,000 on drilling.

After earning the 100% interest in the property, under the amended terms of the option agreement dated September 26, 2024, the Company will pay a bonus payment in cash or common shares (at the election of Bessor) of \$2,000,000 to Homegold within 45 days of Bessor filing a NI 43-101 compliant Feasibility Study. This bonus payment will be made contingent on the study demonstrating a commercially exploitable reserve on the property.

In accordance with the other terms of the Redhill Option Agreement, if the Company exercises the option, Homegold will retain a 2% net smelter return royalty, one-half (1%) of which can be purchased by the Company for \$1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of \$500,000 in cash or shares at the election of Homegold.

As at October 31, 2024, the Company determined that there were indicators of impairment of the Redhill Property. The Company does not have sufficient funds for exploration expenditures including the planned drilling program, the commencement of which is contingent on the receipt of a drilling permit that is still under review.

In addition, the Company surrendered 10 claims deemed unviable during the year, that was part of the same block of property that the company currently holds. The Redhill Property was written down to \$1 with an impairment charge of \$654,930 that was recognized in net loss for the year ended October 31, 2024.

Easter Gold Project – Nevada, USA

On April 3, 2024, the Company entered into an option agreement ("Easter Option Agreement") with K2 Resources Inc. ("K2"), a private company in which Jason Riley, the Company's President and CEO, is an officer, director and shareholder.

Under the terms of the Easter Option Agreement, subject to the approval of TSX-V of the option agreement, the Company may acquire a 60% interest in the Easter Gold Property ("Easter Gold Project"), by paying in cash a total amount of \$1,800,000, incurring exploration expenditures of \$5,000,000 over three years and issuing a total of 5,000,000 common shares in the capital of Bessor to K2 over three years. The first-year requirement is \$400,000 cash, 2,500,000 Common Shares and \$1,000,000 of work performed on the Easter Gold Project (commenced only), with the balance of the earn-in requirements spread over another 3 years.

On fulfilment of the terms in the Easter Option Agreement, the Easter Option Agreement will then become a joint venture ("JV") agreement.

The Easter Gold Project is located in east-central Nevada in Lincoln County, nine air miles southwest of Caliente, Nevada. The project area consists of 70 mineral claims covering 1,446 acres. These claims are owned by Logan Resources USA Inc. which is a 100% owned US subsidiary of K2. The property does not have any underlying NSR royalty agreements.

The work obligations and cash and Common Share payments that are payable by Bessor to K2 under the Easter Option Agreement are set out below:

- \$5,000 cash payment upon execution of agreement (paid);
- \$100,000 cash payment and 2,500,000 common shares of the Company within 5 days of TSX-V F final approval of the Easter option agreement (approval pending);
- \$275,000 cash payment on or before September 15, 2024 (deferred);
- \$150,000 cash payment on or before April 30, 2025;
- \$1,000,000 exploration expenditure within 1st year from the date of the agreement;
- \$2,500,000 within 30 days of completing \$1,000,000 in work obligations;
- \$500,000 cash payment on or before January 15, 2026;

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6. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Easter Gold Project – Nevada, USA (continued)

- 1,500,000 exploration expenditure within 2nd year from the date of the agreement;
- \$750,000 cash payment on or before January 15, 2027;
- \$2,500,000 exploration expenditure within 3rd year from the date of the agreement.

Other than the \$25,000 paid upon signing, no other cash payments made and no common shares issued thereafter in 2024 as the Easter Option Agreement remains subject to the Final Approval from TSX-V subsequent to the year ended October 31, 2024.

As at October 31, 2024, the Company has incurred a total of \$39,969 in expenditures mainly attributable to the compliant work as required for the regulatory approval of the TSX-V.

As at October 31, 2024, the Company determined that there were indicators of impairment because substantive expenditure on further exploration is neither budgeted nor planned. Thus, an impairment charge of \$64,968 was recognized.

The Company's exploration and evaluation assets expenditure for the year ended October 31, 2024 are as follows:

	Redhill Property BC, Canada	Easter Property Nevada, USA	Total
ACQUISITION COSTS			
Balance, October 31, 2023	\$ 215,500	\$ -	\$ 215,500
Additions	5,000	25,000	30,000
Balance, October 31, 2024	220,500	25,000	245,500
DEFERRED EXPLORATION COSTS			
Balance, October 31, 2023	588,336	-	588,336
Additions			
Geochemistry / Assays	-	771	771
Drilling	12,602	-	12,602
Geological	10,838	10,070	20,908
Transportation and Other	2,222	29,128	31,350
Balance, October 31, 2024	613,998	39,969	653,967
MINERAL EXPLORATION TAX CREDIT			
Balance, October 31, 2023	(171,328)	-	(171,328)
Recoveries	(8,239)	-	(8,239)
Balance, October 31, 2024	(179,567)	-	(179,567)
IMPAIRMENT	(654,930)	(64,968)	(719,898)
Total, October 31, 2024	\$ 1	\$ 1	\$ 2

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6. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

Easter Gold Project – Nevada, USA (continued)

The Company's exploration and evaluation assets expenditures for the year ended October 31, 2023 are as follows:

		Redhill Property BC, Canada
ACQUISITION COSTS		
Balance, October 31, 2022	\$	205,500
Additions		10,000
Balance, October 31, 2023		215,500
DEFERRED EXPLORATION COSTS		
Balance, October 31, 2022		560,873
Additions		
Assays		3,366
Drilling		24,097
Geological		-
Balance, October 31, 2023		588,336
MINERAL EXPLORATION TAX CREDIT		
Balance, October 31, 2022		(152,793)
Recoveries		(18,535)
Balance, October 31, 2023		(171,328)
Total, October 31, 2023	\$	632,508

7. SHARE CAPITAL

a) Authorized

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares.

The preferred shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. **Issued and outstanding**

As at October 31, 2024 and for the year ended October 31, 2023, the Company had 26,285,623 common shares issued and outstanding.

There were no shares issued during the years ended October 31, 2024 and 2023. For the number of issued and outstanding shares – see Statement of changes in shareholders' equity.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period. A summary of changes in the Company's stock options outstanding as at October 31, 2024 and 2023 is as follows:

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7. SHARE CAPITAL (continued)

c) Stock options (continued)

	October 31, 2024		October 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning balance	322,500	\$ 0.50	405,000	\$ 0.50
Expired	(30,000)	\$ 0.50	(82,500)	\$ 0.50
Outstanding, ending balance	292,500	\$ 0.50	322,500	\$ 0.50

*Subsequent to the year ended at October 31, 2024, 95,000 stock options expired unexercised.

A summary of options outstanding at October 31, 2024 is as follows:

Number of Shares Under Option	Number of Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Years of Contractual Life	Expiry Date
95,000	95,000	\$ 0.50	0.21	January 16, 2025
32,500	32,500	\$ 0.50	1.10	December 7, 2025
140,000	140,000	\$ 0.50	1.42	April 4, 2026
25,000	25,000	\$ 0.50	3.69	July 10, 2028
292,500	292,500	\$ 0.50	1.19	

Share-based payment for the year ended October 31, 2024 was \$nil (2023 – \$nil).

8. RELATED PARTY TRANSACTIONS

The Company held 2,250,000 common shares of K2, representing approximately 2% of the common shares. K2 is a private company with a portfolio of mineral properties in which Jason Riley is an officer, director, and shareholder. On December 29, 2022, the Company sold the investment in K2 to a close family member of Vic Jang (a director of the Company) for \$22,500. On April 3, 2024, the Company entered into an Easter Option Agreement with K2 to acquire a 60% interest in the Easter Gold Project in Nevada, USA.

Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include senior officers and directors of the Company.

Related party transactions to key management personnel are as follows:

Year Ended	October 31, 2024	October 31, 2023
Management and administration fees:		
Management fees ⁽¹⁾	\$ 30,000	\$ 24,500
Geological fees included in Exploration and Evaluation Assets ⁽²⁾	13,500	13,550
Total key management compensation	\$ 43,500	\$ 38,050

⁽¹⁾ Consisted of \$30,000 (2023 - \$2,500) to Chief Financial Officer who was appointed effective October 2, 2023.

⁽²⁾ Consisted of \$13,500 (2023 - \$13,550) to a company controlled by the Company's Qualified Person and Director.

At October 31, 2024, included in accounts payable and accrued liabilities was \$2,665 (2023 – \$2,625) due to the Company's chief financial officer for fees and expense reimbursement.

At October 31, 2024, included in accounts receivable was \$1,922 (October 31, 2023 - \$nil) due from the Company's chief executive office (Jason Riley) for a non-interest bearing business expenditures advance drawdown. Subsequent to the year ended October 31, 2024, the receivable from Jason Riley was received by the Company.

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9. FINANCIAL INSTRUMENTS

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The Company classified its financial instruments as follows:

The Company classified its financial instruments as follows:

	Financial Assets		Financial Assets		Financial Liabilities	
	At fair value through profit or loss		At amortized cost		At amortized cost	
October 31, 2024						
Cash and cash equivalents	\$	49,326	\$	-	\$	-
Accounts receivable	\$	-	\$	3,337	\$	-
Accounts payable and accrued liabilities	\$	-	\$	-	\$	(46,633)
October 31, 2023						
Cash and cash equivalents	\$	280,280	\$	-	\$	-
Accounts receivable	\$	-	\$	673	\$	-
Accounts payable and accrued liabilities	\$	-	\$	-	\$	(30,200)

As at October 31, 2024 and 2023, the carrying values of these instruments approximate their fair values due to their short term to maturity.

Financial risk management

The Company's risk exposures to financial instruments are summarized below:

a) 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 contractual obligations.

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from its operations. The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by chartered banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

The Company's accounts receivable consists primarily of Goods and Services Tax from the Federal Government of Canada, interest from Canadian financial institutions and a non-interest bearing receivable from the chief executive officer. As these balances are deemed to be highly collectible, no allowance for doubtful accounts was set up at October 31, 2024 and 2023.

At October 31, 2024, all of the Company's operations are conducted in Canada. Management considers the Company's exposure to credit risk is minimal.

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9. FINANCIAL INSTRUMENTS (continued)

b) Liquidity risk (continued)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity

to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 10. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

As at October 31, 2024, all of the Company's accounts payable and accrued liabilities of \$46,633 (2023 - \$30,200) have contractual maturities of 30 to 90 days subject to normal trade terms.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – The Company has nominal funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

10. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the year ended October 31, 2024.

The Company is not exposed to externally imposed capital requirements.

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11. INCOME TAXES

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2024		2023	
Loss before income tax	\$	(877,220)	\$	(93,389)
Expected tax rate		27%		27%
Income tax recovery computed at statutory rates		(237,000)		(26,000)
Adjustments to prior years provision versus statutory tax returns		(12,000)		363,000
Unrecognized benefit of deferred income taxes		249,000		(337,000)
Total deferred income tax recovery	\$	-	\$	-

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at October 31, 2024 and 2023 are presented below:

	2024		2023	
Deferred income tax assets (liabilities)				
Exploration and evaluation assets	\$	538,000	\$	333,000
Non-capital losses carried forward		1,149,000		1,105,000
Capital losses carried forward		100,000		100,000
		1,787,000		1,538,000
Unrecognized deferred income tax assets		(1,787,000)		(1,538,000)
Net deferred income tax liabilities	\$	-	\$	-

As at October 31, 2024, the Company has Canadian non-capital losses of approximately \$4,252,000 available for carry-forward to reduce future years' income for income tax purposes. If not used, these losses will expire commencing in 2029.