

CANEX Metals Inc.

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three and six months ended March 31, 2025

(Unaudited)

CANEX Metals Inc.

For the six months ended March 31, 2025
(Unaudited - Prepared by Management)

May 23, 2025

Notice to Reader

The condensed interim consolidated financial statements of CANEX Metal Inc. ("the Company" or "CANEX") for the three and six month periods ended March 31, 2025, are the responsibility of the Company's management. These condensed interim consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company.

The condensed interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

"Shane Ebert"

Shane Ebert
President/Director

"Chantelle Collins"

Chantelle Collins
Chief Financial Officer

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	March 31, 2025	September 30, 2024
ASSETS		
Current Assets		
Cash (Note 5)	\$ 423,745	\$ 158,093
Accounts receivable (Note 6)	2,265	2,116
Prepaid expenses	10,055	12,786
Short-term investments (Note 7)	-	31,035
	<u>\$ 436,065</u>	<u>\$ 204,030</u>
Non-current Assets		
Exploration and evaluation asset advances and deposits (Note 8)	52,164	51,164
Exploration and evaluation assets (Note 8)	5,785,197	5,713,501
	<u>\$ 5,837,361</u>	<u>\$ 5,764,665</u>
TOTAL ASSETS	<u>\$ 6,273,426</u>	<u>\$ 5,968,695</u>
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	10,565	46,116
Flow through premium liability (Note 12)	69,290	-
	<u>\$ 79,855</u>	<u>\$ 46,116</u>
Non-current Liabilities		
Decommissioning obligation (Note 10)	51,923	50,031
TOTAL LIABILITIES	<u>\$ 131,778</u>	<u>\$ 96,147</u>
EQUITY		
Share capital (Note 11)	21,822,820	21,450,899
Reserves	2,378,833	2,271,069
Deficit	(18,060,005)	(17,849,420)
TOTAL EQUITY	<u>6,141,648</u>	<u>5,872,548</u>
TOTAL EQUITY AND LIABILITIES	<u>\$ 6,273,426</u>	<u>\$ 5,968,695</u>

Nature and continuance of operations (Note 1)

Approved by the Board

"Shane Ebert"

Shane Ebert

Director

"Jean Pierre Jutras"

Jean Pierre Jutras

Director

See accompanying notes to the financial statements.

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Three months ended March 31,		Six months ended March 31,	
	2025	2024	2025	2024
Expenses				
General and administrative (Note 14)	\$ 55,583	\$ 58,241	\$ 220,677	\$ 132,353
Reporting to shareholders	925	-	5,731	3,867
Professional fees	74	453	4,486	5,226
Stock exchange and transfer agent fees	3,434	4,954	6,315	8,904
Accretion	378	-	1,520	-
Property fees and taxes	-	281	-	1,518
	<u>60,394</u>	<u>63,929</u>	<u>238,729</u>	<u>151,868</u>
Loss before other items	<u>(60,394)</u>	<u>(63,929)</u>	<u>(238,729)</u>	<u>(151,868)</u>
Other items				
Interest and other	637	2,307	1,761	5,774
Realization of flow through premium	2,330	-	6,210	-
(Loss) gain from investments (Note 7)	<u>30,518</u>	<u>(31,035)</u>	<u>20,173</u>	<u>27,000</u>
	<u>33,485</u>	<u>(28,728)</u>	<u>28,144</u>	<u>32,774</u>
Net loss and comprehensive loss for the period	<u>\$ (26,909)</u>	<u>\$ (92,657)</u>	<u>\$ (210,585)</u>	<u>\$ (119,094)</u>
Basic and diluted loss per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted average shares outstanding – basic and diluted	<u>130,636,356</u>	<u>114,180,737</u>	<u>120,062,563</u>	<u>111,442,794</u>

See accompanying notes to the financial statements.

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Three months ended March 31,		Six months ended March 31,	
	2025	2024	2025	2024
Increase (decrease) in cash				
Operating activities				
Cash paid to suppliers and contractors	\$ (63,426)	\$ (49,400)	\$ (165,536)	\$ (149,289)
Cash used in operating activities (Note 17)	(63,426)	(49,400)	(165,536)	(149,289)
Investing activities				
Interest and other loss	637	2,307	1,761	5,775
Cash received on sale of short-term investments	51,208	-	51,208	59,944
Cash expended on exploration deposit	-	(8,198)	(1,000)	(8,198)
Cash expended on exploration and evaluation assets (Note 17)	(11,249)	(41,678)	(48,202)	(221,704)
Cash used in investing activities	40,596	(47,569)	3,767	(164,183)
Financing activities				
Share capital issuance proceeds	-	-	437,003	
Cash share issuance and transaction costs	(345)	(1,212)	(9,581)	(3,200)
Cash provided by financing activities	(345)	(1,212)	427,422	(3,200)
Increase (decrease) in cash	(23,175)	(98,181)	265,653	(316,672)
Beginning of period	446,920	477,421	158,092	695,912
End of period	\$ 423,745	\$ 379,240	\$ 423,745	\$ 379,240

See accompanying notes to the financial statements

CANEX Metals Inc.

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Common share capital	Equity- settled share based payment	Other Reserves*	Total Reserves	Deficit	Total
	\$	\$	\$	\$	\$	\$
Balance, September 30, 2023	21,135,858	345,879	1,914,896	2,260,775	(17,570,272)	5,826,361
Net and comprehensive loss for the period	-	-	-	-	(119,094)	(119,094)
Share issuance - property acquisition (Note 8)	304,295	-	-	-	-	304,295
Share issuance costs	(3,200)	-	-	-	-	(3,200)
Options cancelled	-	(16,583)	16,583	-	-	-
Options vested	-	8,524	-	8,524	-	8,524
Balance, March 31, 2024	21,436,953	337,820	1,931,479	2,269,299	(17,689,366)	6,016,886
Net and comprehensive loss for the period	-	-	-	-	(160,054)	(160,054)
Share issuance – property acquisition (Note 8)	14,000	-	-	-	-	14,000
Options expired	-	(124,301)	124,301	-	-	-
Options vested	-	1,770	-	1,770	-	1,770
Share issuance costs	(54)	-	-	-	-	(54)
Balance, September 30, 2024	21,450,899	215,289	2,055,780	2,271,069	(17,849,420)	5,872,548
Net and comprehensive loss for the period	-	-	-	-	(210,585)	(210,585)
Share issuance - property acquisition (Note 8)	20,000	-	-	-	-	20,000
Common share issuance – November 2024	135,000	-	-	-	-	135,000
Flow through share issuance – November 2024	302,002	-	-	-	-	302,002
Flow through share premium (Note 12)	(75,500)	-	-	-	-	(75,500)
Share issuance costs	(9,581)	-	-	-	-	(9,581)
Options expired	-	(37,417)	37,417	-	-	-
Options issued and vested	-	107,764	-	107,764	-	107,764
Balance, March 31, 2025	21,822,820	285,636	2,093,197	2,378,833	(18,060,005)	6,141,648

*Other Reserves, is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from Common share capital, Equity-settled share based payment reserve and Warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the financial statements

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

1. Nature and continuance of operations

CANEX Metals Inc. ("the Company" or "CANEX") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 1620, 734 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 3P8. The Company's common shares are listed on the TSX Venture Exchange under the symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration, and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of \$210,585 during the six month period ended March 31, 2025, and has a deficit of \$18,060,005 at March 31, 2025. The Company believes it has sufficient working capital to fund its administrative, operating and flow through share commitments for the next five month period. Operating expenses beyond August 31, 2025, additional exploration programs and new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Basis of presentation

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for decommissioning obligations and financial instruments. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary, Canexco Inc. ("Canexco"). Canexco was incorporated by the Company on June 5, 2019, in Arizona, USA, to conduct its exploration and development business in the USA. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Material accounting policies

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2024.

CANEX did not adopt any new accounting policies during the six months ended March 31, 2025.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

4. Significant accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical estimates include:

- a) The carrying values of exploration and evaluation assets that are included in the statement of financial position, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are included in the statement of loss and comprehensive loss. (Refer to Note 1 - "Nature of operations and continuance of operations")
- b) The estimate of the amount of decommissioning obligation and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the statement of financial position.
- c) The estimated fair value of share purchase options and broker warrants requires determining the most appropriate model as well as the applicable inputs.
- d) Judgment is required in determining whether or not deferred tax assets are recognized on the statement of financial position.
- e) Management's assessment of the Company's ability to continue as a going concern involves making judgements as to whether suitable conditions and events exist to support the Company's future operations and is reassessed at each reporting period.

5. Cash

Cash is comprised of:

	March 31, 2025	September 30, 2024
Current bank accounts	\$ 423,226	\$ 156,488
Cash held in foreign currencies	519	1,605
	<u>\$ 423,745</u>	<u>\$ 158,093</u>

6. Accounts receivable

	March 31, 2025	September 30, 2024
Due from related parties	\$ 63	\$ 121
Sales tax receivables	2,202	1,995
	<u>\$ 2,265</u>	<u>\$ 2,116</u>

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

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(Unaudited - Prepared by Management)

7. Short-term investments

	Number of shares		Carrying Value
Balance at September 30, 2023	1,633,500	\$	89,842
Cost base of shares sold	(599,000)		(54,160)
Valuation adjustment - (unrealized loss)	-		(4,647)
Balance at September 30, 2024	1,034,500	\$	31,035
Valuation adjustment - (unrealized gain)	-		62,501
Cost base of shares sold	(1,034,500)		(93,536)
Balance at March 31, 2025	-	\$	-

On December 1, 2023, the Company sold 599,000 Homeland Nickle Inc. (formerly Spruce Ridge Resources Ltd.) shares at \$0.10 per share for net proceeds of \$59,944 resulting in a realized gain on sale of \$5,784, an unrealized valuation gain of \$15,431 and a net gain of \$21,215.

During March 2025, the Company sold the remaining 1,034,500 shares at an average price of \$0.05 per share for net proceeds of \$51,208 resulting in a realized loss on sale of \$42,328 and an unrealized valuation gain of \$62,501 resulting in a net gain of \$20,173 at six months ended March 31, 2025.

At each period end the common shares of Homeland Nickle Inc., were valued at their fair value, based on their respective period-end trading prices.

8. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (e) "Exploration and evaluation assets" of the annual financial statements for the year ended September 30, 2024. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments, and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses, and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

Louise Cu-Au Porphyry Project, British Columbia, Canada

On March 1, 2024, the Company entered into an option agreement to acquire six mineral claims totalling 5,362.95 hectares located in the Omineca Mining Division, British Columbia. Under the terms of the option agreement, the Company will either pay an aggregate of \$775,000 in common shares of CANEX or make cash payments. Future remaining commitments are scheduled as follows:

Due Date	Value of underlying Common Shares
March 1, 2026	\$50,000
March 1, 2027	\$90,000
March 1, 2028	\$200,000
March 1, 2029	\$400,000
Total future commitment	\$740,000

On April 8, 2024, the first option payment was made by issuing 200,000 common shares of the Company at a price of \$0.07 per share.

On February 25, 2025, the second option payment was made by issuing 500,000 common shares of the Company at a price of \$0.04 per share and a cash payment of \$3,500.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Prepared by Management)

8. Exploration and evaluation assets (continued)

Louise Cu-Au Porphyry Project, British Columbia, Canada (continued)

The Vendor retains a 2.5% NSR (net smelter royalty) with Canex having the right to buy back 40% of the NSR (1% of the 2.5% NSR) for \$1,500,000. A milestone bonus of \$50,000 in shares or cash will also be payable if CANEX drills over 4250 metres of core, and a second milestone bonus of \$50,000 in shares or cash will be payable if CANEX publishes a resource estimate with greater than 1.5 million contained ounces of gold.

The gross costs and impairments recorded to the Louise Property at March 31, 2025, are \$92,219 and \$nil respectively (September 30, 2024 - \$28,594 and \$nil).

Gold Range Property, Arizona, USA

On June 11, 2019, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the "Optionor". The Gold Range Property, under option, is comprised of three staked lode mineral claims with a total area of 61.98 acres and is located in Mohave County, Arizona, USA.

On June 11, 2023, the Company completed its payment and expenditure obligations and the 100% earn in was completed. The Optionor will retain a 2% NSR, half of which can be bought back by the Company for US\$500,000 and the remaining half for US\$1,000,000.

On February 24, 2020, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim from Onyx Exploration Inc., the "Optionor" which is adjacent to the Company's Pit Zone target on the Gold Range Property located in Mohave County, Arizona, USA. The Never Get Left Claim, under option, is comprised of one staked lode mineral claim with a total area of 20.99 acres.

Under the terms of the agreement, the Company was committed to option payments totaling US\$90,000 over four years. On February 24, 2024, the Company made the final payment of \$49,314 (US\$30,000), extinguishing its payment obligations, and the 100% earn in was complete. The Optionor will retain a 2% NSR, half of which can be bought back by the Company for US\$500,000; the remaining half for US\$500,000. Additionally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim.

On January 12, 2021, the Company, and its wholly owned subsidiary, Canexco Inc., signed a Letter of Intent ("LOI") allowing the Company to earn into the Excelsior Mine Property ("the Property") located adjacent to the Company's other Gold Range properties. On November 29, 2023, 8,694,170 common shares, valued at \$0.035 per share (total value - \$304,295 were issued plus US\$120,000 cash (CAD\$166,058) was paid and the 100% earn in was completed. The Optionor will continue to hold a 1.5% NSR as outlined in the original agreement and the Company will retain a right of first refusal (ROFR), should this royalty ever be offered for sale. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, it will deliver the mine property back to the Vendor under the reversion clause of the agreement.

As at March 31, 2024, the Company holds 261 lode mining claims and 2 patented claims (approximately 1650 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted above as well as staking. The area has seen historic lode and placer gold production but limited modern lode gold exploration. The gross costs and impairments recorded to the Gold Range Property at March 31, 2025, are \$5,695,477 and \$nil respectively (September 30, 2024 - \$5,684,906 and \$nil).

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

8. Exploration and evaluation assets (continued)

Gibson Prospect, British Columbia

On May 17, 2017, the Company had signed a purchase agreement and received exchange approval to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company also assumed the obligations of an underlying option agreement with Steven Scott. The gross costs and impairments recorded to the Gibson Prospect as at March 31, 2025, and September 30, 2024 are \$473,527 and \$473,527 respectively.

During the year ended September 30, 2021, the Company determined that further exploration on this property would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In August 2024, the Company received a further extension to meet its minimum exploration expenditures of \$500,000 to December 31, 2025. All other terms of the option agreement remain unchanged.

As at March 31, 2025, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	Altius	
	Share issues	Minimum Exploration Expenditures*
		(\$)
Expenditure commitment, on or before August 30, 2024	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	1,240,000	500,000

* - as at March 31, 2025, the Company has incurred exploration expenditures of \$293,500

In addition, Altius will retain a right to purchase an underlying 1.5% NSR and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) \$25,000 in cash or securities upon a Bankable Feasibility Study; and 2) \$50,000 in cash or securities upon Commercial Production.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

8. Exploration and evaluation assets (continued)

Summary exploration and evaluation expenditures:

A summary of exploration and evaluation expenditures by category for the six month period ended March 31, 2025, and year ended September 30, 2024, follows:

Six month period ended March 31, 2024	Arizona USA		BC Canada		Total
	Gold Range Property		Louise Property		
Exploration expenditures:					
Balance, September 30, 2024	\$ 4,321,817	\$	5,860	\$	4,327,677
Geological consulting	7,301		17,352		24,653
Travel	2,321		688		3,009
Field Costs	147		-		147
Analysis and other	-		13,586		13,586
Decommissioning	372		-		372
Balance, March 31, 2025	\$ 4,331,958	\$	37,486	\$	4,369,444
Property acquisition costs:					
Balance, September 30, 2024	1,363,090		22,734		1,385,824
Acquisition costs incurred	429		29,500		29,929
Balance, March 31, 2025	\$ 1,363,519	\$	52,234	\$	1,415,753
Total Exploration and evaluation assets, March 31, 2025	\$ 5,695,477	\$	89,720	\$	5,785,197

Year ended September 30, 2024	Arizona USA		BC Canada		Total
	Gold Range Property		Louise Property		
Exploration expenditures:					
Balance, September 30, 2023	\$ 4,274,794	\$	-	\$	4,274,794
Geological consulting	14,025		5,162		19,187
Travel	5,885		698		6,583
Field Costs	308		-		308
Analysis and other	17,285		-		17,285
Decommissioning	9,520		-		9,520
Balance, September 30, 2024	\$ 4,321,817	\$	5,860	\$	4,327,677
Property acquisition costs:					
Balance, September 30, 2023	778,791		-		778,791
Acquisition costs incurred	584,299		22,734		607,033
Balance, September 30, 2024	\$ 1,363,090	\$	22,734	\$	1,385,824
Total Exploration and evaluation assets, September 30, 2024	\$ 5,684,907	\$	28,594	\$	5,713,501

From time to time the Company is required to pay a deposit or bond to a government agency prior to their commencing exploration work on the mineral interest. The advances are held until reclamation work is complete and the Company makes application to have the deposit or bond returned. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. On March 31, 2025, the Company held \$10,000 in respect of the Gibson Prospect and \$42,164 in respect of the Gold Range Project in exploration and evaluation asset advances and deposits (September 30, 2024 - \$10,000 and \$41,164 respectively).

CANEX Metals Inc.

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(Unaudited - Prepared by Management)

9. Accounts payable and accrued liabilities

	March 31, 2025	September 30, 2024
Trade payables	\$ 2,151	\$ -
Due to related parties	8,399	5,211
Accrued liabilities	15	40,900
Commodity taxes payable	-	5
	<u>\$ 10,565</u>	<u>\$ 46,116</u>

10. Decommissioning obligation

Changes in the decommissioning obligation:	March 31, 2025	September 30, 2024
Balance, beginning of period	\$ 50,031	\$ 38,380
Accretion	1,520	2,131
Change in assumptions	372	9,520
Expenditures	-	-
	<u>\$ 51,923</u>	<u>\$ 50,031</u>

The above noted provision represents estimated costs to restore the Company's mineral property which includes the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal obligations as at the respective period end dates for current and future decommissioning obligations. The period end present value of the decommissioning obligation was determined using a risk-free rate of 2.46% (September 30, 2024 – 3.99%). The estimated total undiscounted amount, using an inflation rate of 2.5% (September 30, 2024 – 2.5%) for the six month period ended March 31, 2025 is \$54,700 (year ended September 30, 2024 - \$53,415). The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire, at which time the reclamation must have been completed.

11. Share capital, stock options and warrants

a) Authorized

Unlimited number of common shares without par value

b) Issued and outstanding common share capital

	Shares	Value \$
Balance, as at September 30, 2024	114,380,737	21,450,899
Shares issued for cash	3,000,000	135,000
Flow through share issuance for cash	5,033,365	302,002
Flow through share premium	-	(75,500)
Share issuance – property acquisition	500,000	20,000
Share issuance costs	-	(9,581)
Balance, as at March 31, 2025	122,914,102	21,822,820
	Shares	Value \$
Balance, as at September 30, 2023	105,486,567	21,135,858
Shares issued for property	8,894,170	318,296
Share issuance costs	-	(3,255)
Balance, as at September 30, 2024	114,380,737	21,450,899

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

11. Share capital, stock options and warrants (continued)

b) Issued and outstanding common share capital (continued)

Six month period ended March 31, 2025

On February 25, 2025, the Company issued 500,000 common shares in accordance with the Louise project option agreement.

During October 2024, the Company announced an equity financing for cash that closed in two tranches, November 14 and November 25, 2024. The non-brokered private placement consisted of 3,000,000 common shares and 5,033,365 flow through common shares for gross proceeds of \$437,002. Common shares were offered at \$0.045 per share and the flow through common shares were offered at \$0.06 per share. The tax benefit of the flow through common shares, renounced to shareholders, was determined to be \$75,500 and recorded as a current liability which will be amortized through earnings as the critical mineral flow through mining expenditures are incurred. More details on the transaction are included in Note 12 – Income taxes to these condensed interim consolidated financial statements.

Year ended September 30, 2024

On April 8, 2024, 200,000 common shares were issued in accordance with the Louise project option agreement.

On November 29, 2023, 8,694,170 common shares were issued in accordance with the Excelsior Mine Property amended option agreement.

The share issuances were valued using the trading price on the date of issue.

During the period subsequent to the date of these financial statements there were no shares issued, and none cancelled and returned to treasury.

c) Stock options outstanding

<u>Expiry</u>	<u>Number of options</u> <u>March 31,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>	<u>Exercise</u> <u>Price</u>
October 4, 2024	-	710,000	\$0.055
May 1, 2027	1,462,500	1,462,500	\$0.18
July 11, 2026	400,000	400,000	\$0.06
November 25, 2029	5,200,000	-	\$0.05
	<u>7,062,500</u>	<u>2,572,500</u>	

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time.

On November 25, 2024, the Company issued 5,200,000 options at \$0.05 per share to existing directors, officers and consultants. One third of the options vest immediately, one third on the first anniversary date and one third on the second anniversary. Further information regarding the valuation of the stock options issued during the year can be found at Note 15 – Stock-based payment transactions

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three and six months ended March 31, 2025

(Unaudited - Prepared by Management)

11. Share capital, stock options and warrants (continued)

d) Stock option transactions

Six month period ended March 31, 2025

	Number of options	Weighted average exercise price
Balance, September 30, 2024	2,572,500	\$0.13
Expired	(710,000)	(\$0.06)
Issued	5,200,000	\$0.05
Balance, March 31, 2025	7,062,500	\$0.08

Year ended September 30, 2024

	Number of options	Weighted average exercise price
Balance, September 30, 2023	5,410,000	\$0.12
Cancelled	(262,500)	(\$0.13)
Expired	(2,575,000)	(\$0.11)
Balance, September 30, 2024	2,572,500	\$0.13

During the period subsequent to the date of these financial statements, no stock options were issued nor expired and none were exercised.

12. Income tax information

Flow through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. During the six months ended March 31, 2025, the Company received \$302,002 from the issue of flow-through shares, of which \$75,500 was attributed to a premium over the fair value of the shares issued and recorded as a liability for accounting purposes. Of this premium, \$6,210 was subsequently recognized in income as the related expenditures were incurred, and \$69,290 remained outstanding at March 31, 2025, (September 30, 2024 - \$nil) as it relates to remaining flow-through obligations. At March 31, 2025, the Company holds unspent flow-through funds of approximately \$277,151 which will have to be incurred on qualifying exploration expenditures prior to December 31, 2025. Funds raised in connection with the flow-through shares must be spent on qualified mineral exploration and are restricted to Canadian Exploration Expenditures as defined in the Canadian Income Tax Act. The expenditures are renounced in favor of investors subscribing for flow through shares and the amounts are not available to the Company for income tax purposes.

13. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments.

CANEX Metals Inc.

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(Expressed in Canadian Dollars)

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13. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

	March 31, 2025	September 30, 2024
	Carrying Value	
Financial Assets		
Financial assets measured at fair value:		
Short-term investments	\$ -	\$ 31,035
Financial asset measured at amortized cost:		
Cash	\$ 423,745	\$ 158,093
Accounts receivable	63	121
	\$ 423,808	\$ 158,214
Financial Liabilities		
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 10,565	\$ 46,111

The above noted financial instruments are exclusive of any sales tax. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. At March 31, 2025, the Company had US\$361, (\$519) in a US denominated bank account (September 30, 2024 - US\$1,189, (\$1,605)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of \$52 (September 30, 2024 - \$161).

14. General and administrative

	Three months ended Mar 31		Six months ended Mar 31	
	2025	2024	2025	2024
Administrative consulting fees	\$ 16,469	\$ 31,562	\$ 68,356	\$ 76,256
Stock-based compensation	19,143	3,599	107,764	8,524
Occupancy costs	5,671	5,671	11,343	11,343
Office, secretarial and supplies	8,043	10,625	21,648	23,218
Travel and promotion	629	601	849	873
Insurance	3,458	3,930	6,916	7,860
Directors' fees	1,500	1,500	2,500	3,000
Network and website	670	753	1,301	1,279
	\$ 55,583	\$ 58,241	\$ 220,677	\$ 132,353

15. Stock-based payment transactions

During the six month period ended March 31, 2025, the Company issued 5,200,000 options that may be exercised at \$0.05 per share to November 25, 2029. The options vest one third on issue, one third on the first anniversary date and the remainder on the second anniversary date. Stock based compensation is recognized each quarter based upon the portion that vests during the period. Vested options were valued at \$71,000 and the remainder at \$142,000 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 151.03%, a risk free discount rate of 3.18% and a dividend rate of 0%, on the grant date, November 25, 2024.

During the six month period ended March 31, 2024, the Company did not issue any options, but recognized stock-based compensation related to options that were issued in July of 2023 that will vest over the following 12 months.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

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(Unaudited - Prepared by Management)

16. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. ("Jade Leader") by virtue of common officers and directors. In addition, related parties include members of the Board of directors, officers and their close family members. Vector Resources Inc., a company controlled by Shane Ebert, President, and director of CANEX; 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of CANEX are also considered related parties. The Company incurred the following amounts charged to (by) related parties:

		Three months ended March 31		Six months ended March 31	
		2025	2024	2025	2024
	Note				
Key management remuneration:					
President and director	a)	(14,765)	(20,325)	(40,572)	(29,075)
Corporate secretary	b)	(7,185)	(8,445)	(23,490)	(19,470)
Chief financial officer	c)	-	-	-	-
Director's fees	d)	(1,500)	(1,500)	(2,500)	(3,000)
		\$ (23,450)	\$ (30,270)	\$ (66,562)	\$ (51,545)
Other related party transactions:					
Jade Leader Corp. ("Jade Leader")					
Office rent and operating costs paid	e)	\$ (5,671)	\$ (5,761)	\$ (11,343)	\$ (11,716)
General and administrative and secretarial costs paid	e)	\$ (641)	\$ (990)	\$ (2,352)	\$ (2,794)
General and administrative and secretarial costs received	e)	\$ -	\$ 361	\$ -	\$ 361
635280 Alberta Ltd.					
Geological consulting services	f)	\$ (919)	\$ (613)	\$ (1,531)	\$ (1,006)

The following amounts were receivable from or due to related parties at the respective period ends:

Balances Receivable (Payable)		March 31, 2025	September 30, 2024
Consulting fees:			
President and director	a	\$ (2,756)	\$ (3,309)
Office rent and operating costs:			
Jade Leader		\$ -	\$ 121
General and administrative and secretarial costs:			
Jade Leader		\$ (1,814)	\$ (1,539)
Corporate secretary	b	\$ (2,926)	\$ -
635280 Alberta Ltd.	f	\$ (413)	\$ -
President and director	a	\$ -	\$ (363)

Management compensation payable to "key management personnel" during the respective three and six month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, and the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. Options granted to officers and directors during the six month period ended March 31, 2025, are disclosed in Note 15 – Stock-based payment transactions, above.

- a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets.
- b) The Corporate Secretary provides services to the Company on a contract basis.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

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(Unaudited - Prepared by Management)

16. Related party balances and transactions and key management remuneration (continued)

- c) The Chief financial officer provides services to the Company on a contract basis.
- d) The Company pays directors who are not officers of the Company \$500 for meeting attendance in person or by telephone. As at March 31, 2025, there are three directors who are not officers and the amounts above reflect directors' fees paid or payable for meetings attended during the above-noted periods.
- e) Jade Leader incurred certain administrative expenses on the Company's behalf that are subsequently billed to the Company on a quarterly basis. Further, the Company occasionally incurs administrative costs on behalf of Jade Leader that are billed on a quarterly basis. The Company has leased office space from Jade Leader since April 1, 2015. Jade Leader and the Company share two common officers and two common directors.
- f) During the six month period ended March 31, 2025 and 2024, geological consulting services were provided by 635280 Alberta Ltd.

Related party transactions were measured at the amounts agreed to by the transacting parties.

17. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss:

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Loss and comprehensive loss	\$ (26,909)	\$ (92,657)	\$ (210,585)	\$ (119,094)
Stock-based compensation	19,143	3,599	107,764	8,524
Accretion	378	-	1,520	-
Interest and other items	(637)	(2,307)	(1,761)	(5,774)
(Gain) loss on short-term investments	(30,518)	31,035	(20,173)	(27,000)
Realization of flow through premium liability	(2,330)	-	(6,210)	-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	3,785	4,575	(149)	1,458
Prepaid expenses	(83)	15,068	2,731	25,528
Accounts payable and accrued liabilities	(26,255)	(8,713)	(38,673)	(32,931)
Cash paid to suppliers and contractors	\$ (63,426)	\$ (49,400)	\$ (165,536)	\$ (149,289)

CANEX Metals Inc.

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(Expressed in Canadian Dollars)

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(Unaudited - Prepared by Management)

17. Supplemental disclosure statement of cash flows (continued)

Reconciliation of cash expended on exploration and evaluation assets:

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Change in exploration and evaluation assets	\$ (38,136)	\$ (65,029)	\$ (71,696)	\$ (544,902)
Share issuance (Note 8)	20,000	-	20,000	304,296
Decommissioning asset	-	-	372	9,520
Changes in assets and liabilities pertaining to exploration and evaluation assets:				
Accounts receivable	2,126	-	-	1,549
Accounts payable and accrued liabilities	9,322			
	(4,561)	23,351	3,122	7,833
Cash expended on exploration and evaluation assets	\$ (11,249)	\$ (41,678)	\$ (48,202)	\$ (221,704)

18. Segment disclosures

During the six month periods ended March 31, 2025, and March 31, 2024, and the year ended September 30, 2024, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. As at March 31, 2025, the value of non-current assets associated with United States operations is \$5,736,642 (September 30, 2024 - \$5,726,071) including exploration and evaluation asset advances and deposits of \$41,164 (September 30, 2024 - \$41,164) and exploration and evaluation assets of \$5,695,478 (September 30, 2024 - \$5,684,907). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 8 – “Exploration and evaluation assets” for details of the carrying amounts of these assets at the respective period ends.

CANEX Metals Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MARCH 31, 2025

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of CANEX Metals Inc. ("CANEX" or "the Company") for the three and six months ended March 31, 2025. The information included in this MD&A, with an effective date of May 23, 2025, should be read in conjunction with the Condensed Interim Consolidated Financial Statements as at and for six months ended March 31, 2025, and related notes thereto. CANEX Metal's common shares trade on the TSX Venture Exchange under the symbol "CANX". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") and can be accessed at www.sedarplus.ca.

The Company's Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as at and for six months ended March 31, 2025. The Company has consistently applied the same accounting policies throughout all periods presented. The Company's accounting policies are provided in Note 3 "Material accounting policies" to the annual Consolidated Financial Statements at September 30, 2024. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for CANEX Metals' exploration projects in the following MD&A is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of CANEX Metals. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including but not limited to: general market and economic conditions, limited operating history, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work.

All forward-looking information is stated as of the effective date of this document and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1. Principal Business of the Company

CANEX Metals, including its wholly owned subsidiary, Canexco Inc. ("Canexco"), is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, it is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible, or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares. None of the Company's mineral properties are in production. Consequently, the Company's net income is a limited indicator of its performance and potential.

CANEX Metals Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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2. Highlights

- On March 21, 2025, Mayfair Acquisition Corp. announced its intention to make a securities exchange takeover bid to acquire all of the outstanding shares of both Gold Basin Resources Corporation and Canex Metals Inc. The Proposed Offer is intended to consolidate the gold exploration assets of both companies in northern Arizona under a single, well-capitalized entity, with strategic and financial support from Discovery Group.
- On February 25, 2025, the Company made the second option payment on the Louise Cu-Au porphyry project as required under the terms of the option agreement by issuing 500,000 common shares at a 30-day, volume weighted average price (VWAP), of \$0.043 per share and \$3,500 of cash for a total payment of \$25,000. For accounting purposes, the price used to value the transaction was the closing share price on February 25, 2025, of \$0.04 for total acquisition cost of \$23,500.
- On December 10th, 2024, CANEX announced receipt of an exploration permit for the Louise Cu-Au porphyry project in British Columbia allowing the Company to conduct surface geophysical surveying over the target area.
- On November 14, 2024, CANEX closed the first tranche of an equity financing and on November 25th closed the second and final tranche to complete the oversubscribed transaction. In total the Company issued 3,000,000 common shares at \$0.045 per share. In addition, 5,033,365 flow-through common shares (FT shares) were issued at \$0.06 per share. Gross proceeds of \$437,002 will be used to advance the Louise Cu-Au porphyry in British Columbia and the Gold Range oxide gold project in northern Arizona.
- On September 24th the Company presented the drill data compilation results from the Louise Cu-Au porphyry project in British Columbia. The Louise project hosts a copper-gold deposit that has been drill defined over an area 1000 meters long by 400 meters wide and to approximately 300 meters depth. Strong grades occur in the system highlighted by hole LL04-03 which returned 158 metres grading 0.41% copper and 0.40 g/t gold. CANEX is planning to conduct a modern deep looking induced polarization (IP) survey to explore the district across 6 to 7 kilometres of strike length and to depths up to 1000 metres to fully assess the district potential surrounding the known historic resource.
- On April 9, 2024, the Company announced that it had received TSX Venture Exchange approval for the option of the Louise Cu-Au porphyry deposit in British Columbia and the first option payment of \$10,000 was made by issuing 200,000 common shares of the company at a notional price of \$0.05 per share. The project is road accessible, contains an historic copper-gold-molybdenum resource and has only been explored to shallow depths. There are no expenditure commitments allowing CANEX to advance the project as market conditions allow. Option payments in shares or cash of \$775,000, inclusive of the payment made April 9th, are scheduled over the next 5 years. A milestone bonus of \$50,000 in shares or cash will also be payable if CANEX drills over 4250 metres of core, and a second milestone bonus of \$50,000 in shares or cash will be payable if CANEX publishes a resource estimate with greater than 1.5 million contained ounces of gold. The vendor will retain a 2.5% net smelter royalty (NSR), with CANEX having the right to buy back 40% of the NSR for \$1,500,000 and a right of first refusal on any sale of the royalty.
- CANEX successfully completed a surface exploration program at the Gold Range Project in Arizona in March 2024, collecting 151 surface rock and soil samples from across the property with detailed mapping completed at the growing WestGold target. New areas of mineralization were identified during the program and the WestGold zone was significantly expanded. Three new mineralized zones have been identified across the Company's Gold Range property, assays from all three zones have returned high-grade gold mineralization. Specific results from the areas sampled are included in Section 3, Mineral Properties below.
- In February 2024, Canexco acquired 100% ownership of the Never Get Left claim, which is part of the larger Gold Range Property, by making the final option payment of \$US30,000 (CAD\$40,581). The optionor retains a 2% NSR which Canexco can acquire for \$US1 million.

- In January 2024, the Company filed an exploration permit amendment for the Gold Range Property to allow for new drill pads at the WestGold area to further expand upon a new gold discovery. The permit amendment has been accepted, allowing for the construction of an additional 34 pads. The acceptance also included the requirement for an additional \$US6,060 (\$CAD 8,198) payment to increase the reclamation bond to include the expanded area which was made during the year ended September 30, 2024.

3. Mineral Properties

Gold Range Property, Arizona, USA

The Gold Range Property is in Northern Arizona within an area that has seen historic lode and placer gold production but limited modern gold exploration. CANEX first became interested in the Gold Range property in 2019, following the discovery of a quartz vein containing abundant visible gold by a local prospector in an area termed the Discovery Zone. Subsequent mapping and soil and rock sampling identified a 1000-metre-long linear trend of historic workings and exposed quartz veins centered around the Adit zone. Additional programs of surface sampling, mapping, trenching, airborne magnetic and lidar surveying, along with reverse circulation drilling have resulted in further expansion of the claim holdings and the recognition of a 4-kilometre-long mineralized corridor stretching from the Eldorado to Excelsior to WestGold Zones.

As of December 31, 2024, the Gold Range Property consists of 261 lode mining claims and 2 patented claims and is approximately 1650 hectares in size. The Company has drilled 15,412 metres in 138 holes and defined bulk tonnage oxide mineralization at the Excelsior, Eldorado, Malco, Central, and WestGold Zones. The oxide gold zones extend to surface and positive bottle roll metallurgical test work suggests mineralization is amenable to low cost heap leach extraction.

During 2024 the Company successfully obtained a permit amendment to allow for additional drilling at the new WestGold discovery, and in March 2024 completed a field program focusing on refining drill targets in the WestGold area.

Highlights from the March 2024 surface exploration project at the Gold Range Project in Arizona include collecting 151 surface rock and soil samples, detailed mapping at the significantly expanded WestGold target and three new zones have been identified where assays from all three zones have returned high-grade gold mineralization. Areas of particular interest include:

- Surface chip sampling in the eastern part of the Gold Range property returned 19.4 g/t gold over 3 metres in a zone that has never been drill tested.
- A new zone of high-grade mineralization was identified 300 metres north of the Excelsior deposit, in the east-central part of the property, returning 11.2 g/t gold from a grab sample.
- A new zone of quartz veining and gold mineralization was discovered in the west-central part of the Gold Range property with a grab sample from a poorly exposed area returning 5.05 g/t gold.
- Grab samples of quartz veins in the WestGold area have returned grades up to 6.67 g/t gold and mineralized halos surrounding larger quartz veins have returned 0.97 g/t over 2 metres and 0.66 g/t gold over 3 metres in chip samples, confirming the presence of bulk tonnage targets at the zone.

Mapping has expanded the exploration target at WestGold to an area 800 metres by 400 metres and WestGold is now the largest exploration target on the Gold Range property. The zone is fully permitted, and drill testing can commence as markets strengthen.

On February 24, 2024, the Company completed an option agreement and acquired 100% ownership in the Never Get Left Prospect claim by making the final option payment of \$US30,000 (\$CAD40,581). Under the terms of the agreement the optionor will retain a 2% NSR. Canexco can purchase half (1%) of the NSR for \$US500,000 and the remaining half (1%) for an additional \$US500,000.

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Prior period drilling highlights from across the property include:

Hole GR21-57: 1.0 g/t gold over 59.45 metres (Excelsior)
Hole GR21-37: 1.6 g/t gold over 35.1 metres (Excelsior)
Hole GR21-46: 2.2 g/t gold over 18.3 metres (Excelsior)
Hole GR22-82: 9.7 g/t gold over 1.5 metres (Excelsior)
Hole GR22-90: 1.2 g/t gold over 12.19 metres (Excelsior)
Hole GR23-131: 4.1 g/t gold over 6.1 metres (Excelsior)
Hole GR22-97: 1.4 g/t gold over 6.1 metres (East of Excelsior)
Hole GR23-127: 2.3 g/t gold over 3.1 metres (East of Excelsior)
Hole GR22-91: 0.6 g/t gold over 27.44 metres (Central)
Hole GR22-110: 1.1 g/t gold over 27.4 metres (Shaft)
Hole GR21-25: 1.3 g/t gold over 21.3 metres (Eldorado)
Hole GR20-4: 10 g/t gold over 1.5 metres (Eldorado)
Hole GR23-118: 0.2 g/t gold over 54.9 metres (WestGold)
Hole GR23-120: 0.7 g/t gold over 35 metres (WestGold)

During 2023 the Company completed surface exploration programs at Gold Range, a LiDar and air photo survey, and drill tested three new target areas defined previously, including WestGold, the zones parallel to Excelsior, and the new Shaft discovery. The WestGold target contains the largest and highest-grade gold in soil anomaly defined on the Gold Range property to date and the Company's drill test of that target has resulted in a new and potentially very significant gold discovery that continues to be an important focus for the Company.

On November 29, 2023, the Company and its 100% owned Arizona subsidiary Canexco Inc. announced the completion of the Excelsior Mine Property 100% purchase as defined in the Amended Excelsior Mine Property Option Agreement. Under the amended agreement CANEX earned a 100% interest in the Excelsior Mine Property in exchange for issuing 8,694,170 CANEX shares and paying US\$120,000 (CAD\$166,058) in cash. The Vendors will retain a 1.5% NSR and CANEX retains a right of first refusal on the sale of the royalty. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, they will deliver the mine property back to the Vendor under the reversion clause of the agreement. The Excelsior Mine Property consists of 11 lode mining claims and 2 patented mining claims covering 3 past producing historic gold mines located within the Company's larger Gold Range Project in Arizona. CANEX has drilled 72 holes into the main Excelsior deposit, defining a moderately dipping gold mineralized zone up to 400 meters long by 20 to 60 metres wide, that has been traced at least 100 metres down dip.

Operational highlights for the last eight quarters:

- Fifth drill program conducted – March 2023 – April 2023
- The Company acquired 100% ownership in Excelsior property – November 2023
- Amended exploration permit received – March 2024
- The Company acquires 100% ownership in the Never Get Left Claim – February 2024
- Field mapping and soil sampling identified 3 new zones in WestGold– March 2024

The gross costs and impairments recorded for the Gold Range Property at March 31, 2025, are \$5,695,477 and \$nil, respectively (September 30, 2024 - \$5,684,907 and \$nil).

Louise Cu-Au Porphyry Project, British Columbia

In March 2024, the Company entered into an option agreement, with no spending requirements, to earn a 100% interest in the Louise project subject to certain scheduled option payments. The project offers a low-risk, high value opportunity with untested discovery potential that can be advanced as market conditions allow. The property is located approximately 35 kilometres west of Smithers, in west central British

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Columbia, It is road accessible and previous drilling has returned strong copper and gold grades including 0.41% copper and 0.40 g/t gold over 158 metres and several holes indicating increasing grades with depth.

In Q2 2024, in conjunction with signing the agreement, CANEX advanced \$8,733 to the optionor to stake certain claims that are contained within the 5,362.94 hectare optioned property and subject to the terms of the agreement. Remaining obligations under the option agreement are discussed below in Section 7 a), Contractual Obligations.

The Company assembled and analyzed the historic data for the Louise project and announced the results of this work on September 24, 2024. Highlights included:

- Historic drilling has identified a mineralized zone that is 1000 metres long by 400 metres wide and currently extends to a depth of approximately 300 metres.
- Strong copper and gold grades occur in the system highlighted by hole LL04-03 which returned an interval of 158 metres grading 0.41% copper and 0.40 g/t gold starting at 53.5 metres downhole.
- Past work largely focused in and around the original surface discovery area and only extends to about 300 metres deep, with some drill holes ending in mineralization.
- Data suggests potential for a copper and gold target below and lateral to the existing resource.

See the press release dated September 24, 2024, for further technical details and mapping of this prospect.

To better understand the district scale potential of this porphyry system, CANEX is proposing a deep looking induced polarization (IP) survey that can potentially look up to 1000 metres deep and extend that survey across 6 to 7 kilometres of strike length.

During November 2024, CANEX closed, in two tranches, a non-brokered financing, as discussed in 2) Highlights, 4) Operating results and 5) Liquidity and Capital Resources, to fund this project. FT share proceeds of \$302,002 will be used before December 2025 for general exploration expenditures at the Louise project which will constitute Canadian Exploration Expenses within the meaning of subsection 66.1(6) of the Income Tax Act (Canada) (the "Tax Act"), that will qualify as "critical mineral flow through mining expenditures" within the meaning of the Tax Act. At March 31, 2025, the Company had incurred \$24,851 of qualifying expenditures and plans are in place to spend the remaining \$277,151 during Q3 2025.

On December 10th, 2024, CANEX announced receipt of an exploration permit for the Louise Cu-Au porphyry project in British Columbia allowing the Company to conduct surface geophysical surveying over the target area. This work is scheduled to commence in May.

The gross costs and impairments recorded for the Louise project at March 31, 2025, are \$89,720 and \$nil, respectively. (September 30, 2024 - \$28,594 and \$nil).

Gibson Prospect, British Columbia

In 2017 the Company entered into an option agreement with owner Altius Resource Inc. ("Altius") to acquire a 100% interest in the Gibson property located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company conducted surface mapping and sampling, trenching, and drilled 10 holes into the Gibson property in 2017 and 2018. This work resulted in strong precious metal results including:

Hole G18-01: 0.81 g/t gold and 40 g/t silver over 31.5 metres from 33.5 metres depth
Trench 1: 1.6 g/t gold and 175 g/t silver over 12.0 metres
Hole G18-01: 3.7 g/t gold and 321 g/t silver over 2.5 metres from 54 metres depth
Hole G18-01: 11.9 g/t gold and 301 g/t silver over 1.0 metres from 64 metres depth
Hole G18-03: 2.7 g/t gold and 872g/t silver over 0.5 metres from 19 metres depth

The Company has identified promising precious metal potential at Gibson and the mineralized zone remains open in all directions under shallow cover.

During the year ended September 30, 2021, the Company determined that further exploration on this property, would no longer be a priority unless a third-party partner could be found to further advance the exploration

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program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In August 2024, the Company received a further extension to meet its minimum exploration expenditures to December 31, 2025. All other terms of the option agreement remain unchanged. For more information, refer to Section 7 b), Contractual Obligations below.

4. Operating results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended, March 31		Six months ended, March 31	
	2025	2024	2025	2024
General and administrative	\$ (55,583)	\$ (58,241)	\$ (220,677)	\$ (132,353)
Reporting to shareholders	(925)	-	(5,731)	(3,867)
Professional fees	(74)	(453)	(4,486)	(5,226)
Stock exchange and transfer agent fees	(3,434)	(4,954)	(6,315)	(8,904)
Accretion	(378)	-	(1,520)	-
Property fees and taxes	-	(281)	-	(1,518)
Interest and other	637	2,307	1,761	5,774
Realization of flow through premium	2,330	-	6,210	-
Gain (loss) on short-term investments	30,518	(31,035)	20,173	27,000
Net and comprehensive loss	\$ (26,909)	\$ (92,657)	\$ (210,585)	\$ (119,094)

The most significant changes in expenditure follow:

- Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below.
- Reporting to shareholders' expenditures during the three and six months ended March 31, 2025, and 2024, include fees for filing the annual audited financial statements, costs of the annual AGM as well as the quarterly amortization of the annual retainer. The increase for three and six months ended March 31, 2025, relates to the timing of recording the expenses as well as year over year price increases.
- Stock exchange and transfer agent fees relate to equity transactions and the fees charged are influenced by the value and number of instruments. During fiscal 2024, the exchange changed its pricing strategy such that fees under option arrangements associated with the issuance of stock are charged in total, up front, rather than when the individual options payments are made resulting in minor variances period over period.
- Accretion, when material is recorded on a quarterly basis. Changes in interest rates, inflation or the magnitude of anticipated future reclamation costs will influence the recording of the estimated expense.
- Property fees and taxes are regulatory taxes and maintenance fees incurred on mineral properties that may not be recoverable in the future and are therefore expensed as incurred. During the three and six months ended March 31, 2024, the amounts were paid to various US jurisdictions for permit amendments to allow for additional drilling at the new WestGold discovery; no expenditures were incurred during the current comparative periods.
- Interest and other income include interest earned from a high interest savings account and foreign exchange gains and losses incurred on US\$ denominated transactions. The variance between the current and comparative periods relates to lower bank balances and lower interest rates during the three and six months ended March 31, 2025, compared to the same periods in 2024.
- Realization of flow through premium liability relates to the tax benefit renounced to shareholders on the issuance of flow-through common shares (FT shares). During the six months ended March 31, 2025, the Company issued FT shares and determined the premium to market on the issue to be \$75,500. This amount is recorded as a liability until such time as the qualifying expenditures are made on the Louise project. The amount is amortized to earnings in proportion to the qualifying exploration expenditures made during the period. At March 31, 2025, \$24,851 in critical mineral

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flow through mining expenditures within the meaning of the Income Tax Act (Canada) were made and \$6,210 of the liability was recognized in earnings. There were no FT shares issued nor outstanding during the comparative period ended March 31, 2024.

- During March 31, 2025, the Company sold the remaining 1,034,500 shares of Homeland Nickel Inc. at an average price of \$0.05 per share and net proceeds of \$51,208. The recognized gain on sale is the sum of the proceeds less the cost base of the shares of \$93,536 plus the reversal of the previously recognized valuation adjustment of \$62,501, for a total net gain of \$20,173 for six months ended March 31, 2025. For the same period ended 2024, the Company recorded a realized net gain of \$5,784 (proceeds of \$59,944) on the sale of a portion of the investment and an unrealized gain of \$52,250 based upon the mark to market valuation of the remaining short-term investments.

General and administrative expenses

	Three months ended, March 31		Six months ended, March 31	
	2025	2024	2025	2024
Administrative consulting fees	\$ 16,469	\$ 31,562	\$ 68,356	\$ 76,256
Stock-based compensation	19,143	3,599	107,764	8,524
Occupancy costs	5,671	5,671	11,343	11,343
Office, secretarial and supplies	8,043	10,625	21,648	23,218
Travel and promotion	629	601	849	873
Insurance	3,458	3,930	6,916	7,860
Directors' fees	1,500	1,500	2,500	3,000
Network and website	670	753	1,301	1,279
Total general and administrative expenses	\$ 55,583	\$ 58,241	\$ 220,677	\$ 132,353

- Administrative consulting fees, which consist of fees for the controller, geological consulting, and services provided by other consultants, have decreased for the three and six months ended March 31, 2025, compared to March 31, 2024. During 2024 additional consulting was required to prepare for the surface exploration project at the Gold Range Project in Arizona resulting in higher costs for the three and six months ended March 31, 2024 compared to current year.
- Stock-based compensation relates to the recognition of the value, vesting over time, of certain options issued during the period and any issued in prior periods. During the six months ended March 31, 2024, the Company granted, pursuant to its stock option plan, a total of 5,200,000 incentive stock options to existing directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.05 per share for five years, with a portion vesting immediately and the remaining vesting over a two year period. These incentive options replace 3,285,000 options that expired during 2024. The options were valued, on the grant date, November 25, 2024, at \$231,600, using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 245.35%, a risk-free discount rate of 3.18% and a dividend rate of 0%. During comparative period 2024, the expense relates only to the vesting of options issued earlier in fiscal 2023.
- Office and secretarial fees, which relate primarily to contract administrative services and office supplies, have decreased for the three and six months ended March 31, 2025, due to less activity in the company during this period compared to the prior period.
- The Company pays directors who are not officers of the Company \$500 for meeting attendance. There are currently three directors who are not officers and the amounts above reflect the directors' fees paid or payable for meetings attended during the above-noted periods.

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Professional fees

The following summarizes the components of professional fees included in the statement of net and comprehensive loss:

	Three months ended, March 31		Six months ended, March 31	
	2025	2024	2025	2024
Audit and accounting	\$ -	\$ -	\$ 3,291	\$ 3,309
Legal and filing fees	74	453	1,195	1,917
Total professional fees	\$ 74	\$ 453	\$ 4,486	\$ 5,226

- Professional fees incurred during the current and comparative six months ended March 31, 2025, and 2024, include the filing of the US tax returns for Canexco.
- Legal fees relate to fees charged for filing news releases and general corporate matters and are consistent period over period.

5. Liquidity and Capital Resources

The Company's working capital position at March 31, 2025, was \$356,210 (September 30, 2024 - \$157,914), an improvement of \$198,296. Significant changes to working capital are discussed below:

- The Company used \$165,536 to cover the cost of operations during the six months ended March 31, 2025, compared to \$149,289 for the comparative period ended 2024. The variances are consistent with the factors described in Section 4) Operating results but also reflect the need to reduce expenditures at a time when access to capital is limited.
- During the three months ended March 31, 2025, the Company disposed of its remaining 1,034,500 Homeland Nickel Inc. common shares for net cash proceeds of \$51,208. During the six months ended March 31, 2024, the Company disposed of 599,000 Homeland Nickel Inc. (formerly Spruce Ridge Resources Ltd.) common shares for net cash proceeds of \$59,944.
- The Company was required to make a deposit of \$1,000 with the Government of BC during the six months ended March 31, 2025, in conjunction with approval to undertake exploration activities on the Louise project. During the comparative period 2024, an additional reclamation deposit of \$8,198 (US\$ 6,060) was required upon approval of the expansion of the gold Range Property Exploration Permit.
- During the six months ended March 31, 2025, the Company invested \$48,202 of cash (2024 - \$221,704) in exploration and evaluation activities. Of this, \$41,126 was spent on the Louise project for geological consulting and analysis, option payments as well as First Nations consultation. The remainder, \$7,076 related to exploration and acquisition at the Gold Range Property, Arizona, USA and changes in working capital for the period. During the six month period ended March 31, 2024, all expenditures were incurred at the Gold Range Property. See Note 8 - "Exploration and evaluation assets" of the Consolidated Financial Statements at March 31, 2025, which accompany this document and Section 3) "Mineral properties" for more information.
- During the six months ended March 31, 2025, the Company received \$437,003 as proceeds on a non-brokered private placement share issuance and incurred \$9,581 in share issuance costs. Share issue costs incurred in the three and six months ended March 31, 2024, relate to the issuance of common shares in exchange for property.

The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration, other operating expenses, and flow-through share commitments for approximately the next four months assuming similar activity levels to the previous year. However, increases in activity levels, new property acquisitions,

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and any additional exploration on its mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations and continuance of operations" to the Condensed Interim Consolidated Financial Statements at March 31, 2025, that accompany this document.

6. Financing

Six months ended March 31, 2025

On February 25, 2025, the Company issued 500,000 common shares under the terms of the option agreement governing the Louise Property. The shares were valued at \$0.04 per share, the closing stock price on the date of issue, a book value of \$20,000. Further information on this agreement is contained in Section 7, Contractual Obligations.

During October 2024, the Company announced an equity financing for cash that closed in two tranches, November 14 and November 25, 2024. The non-brokered private placement consisted of 3,000,000 common shares and 5,033,365 flow through common shares for gross proceeds of \$437,002. Common shares were offered at \$0.045 per share and the flow through common shares were offered at \$0.06 per share. The tax benefit of the flow through common shares, renounced to shareholders, was determined to be \$75,500 and recorded as a current liability which will be amortized through earnings as the critical mineral flow through mining expenditures are incurred.

Six months ended March 31, 2024

On November 27, 2023, the Company issued 8,694,170 common shares valued at \$304,295 pursuant to a purchase agreement on the Gold Range property. The common share issuance price used to value the transaction was the closing trading price on the date of issue.

7. Contractual Obligations

a) On March 5, 2024, the Company announced it had signed an Option Agreement to acquire a 100% interest in the Louise project located in west central British Columbia. The agreement was signed on March 1, 2024, and received Exchange approval on April 9, 2024. The commitments are as follows:

	Shares or Cash
Upon regulatory approval	\$10,000
March 1, 2025	\$25,000
March 1, 2026	\$50,000
March 1, 2027	\$90,000
March 1, 2028	\$200,000
March 1, 2029	\$400,000
Total commitment	\$775,000
Payments made in shares or cash	(\$35,000)
Total remaining commitment	\$740,000

On February 25, 2025, the second option payment of \$25,000 for the Louise project was made by issuing 500,000 common shares of the Company and making a cash payment of \$3,500. Under the terms of the Option agreement dated March 1, 2024, the number of shares issued was calculated using the volume-weighted average ("VWAP") trading price on the exchange for the 30 trading days ending five trading days prior to the issuance of shares. As the VWAP fell below \$0.05 per share, the difference in value between the calculation and \$0.05 per share was paid in cash. On April 9, 2024, the Company made the first option payment of \$10,000 by issuing 200,000 shares at a notional price of \$0.05 per share. The transaction was valued at \$14,000 based upon the closing trading price of the shares on the payment date. In addition, there is a milestone bonus in shares or cash if CANEX drills over 4250 metres of core, and a second milestone bonus of \$50,000 in shares or cash if CANEX publishes a resource estimate with greater than 1.5 million contained ounces of gold.

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The Optionor will retain a NSR of 2.5% of which 1% can be purchased by CANEX for \$1.5 million.

b) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia. The purchase agreement was executed on May 12, 2017, and received Exchange approval on May 17, 2017.

The remaining commitments of the agreement are as follows:

	Altius	
	Share issues	Minimum Exploration Expenditures* (\$)
Expenditure commitment, on or before December 31, 2025	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	1,240,000	500,000

* as at March 31, 2025, the Company has incurred exploration expenditures of \$293,500

In addition, Altius will retain a right to purchase an underlying 1.5% NSR and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years. Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) \$25,000 in cash or securities upon a Bankable Feasibility Study; and 2) \$50,000 in cash or securities upon Commercial Production. The agreement has been amended to allow the Company to meet minimum exploration expenditures by December 31, 2025. All other terms of the agreement remain unchanged.

c) Other commitments remaining on 100% owned property are as follows:

<u>Optionor</u>	<u>Property</u>	<u>Commitment</u>	<u>Buy-out</u>
Gieske	Gold Range Property	2% NSR	\$500k first 1%, \$1M 2 nd 1%
Onyx	Never Get Left Claim	2% NSR	\$500k first 1%, \$1.5M 2 nd 1%
Silmar of Arizona	Excelsior Claim	1.5% NSR	Right of First Refusal on Sale

In addition to the above, CANEX has committed to a reversion agreement to August 30, 2030, on the Excelsior Claim, whereby the Company, if subject to any event that would impact the optionors rights, if not cured in 30 days, would deliver the property back to the Optionor.

8. Exploration Expenditures

Refer to "Exploration and evaluation assets," Note 8 to the Condensed Interim Consolidated Financial Statements dated March 31, 2025.

9. Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

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10. Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	Mar 31 2025 (Q2 2025)	Dec 31 2024 (Q1 2025)	Sep 30 2024 (Q4 2024)	Jun 30 2024 (Q3 2024)	Mar 31 2024 (Q2 2024)	Dec 31 2023 (Q1 2024)	Sep 30 2023 (Q4 2023)	Jun 30 2023 (Q3 2023)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before impairment of exploration and evaluation assets	(60,394)	(178,334)	(92,456)	(45,782)	(63,929)	(87,939)	(142,929)	(172,940)
Impairment of exploration and evaluation assets	-	-	-	-	-	-	-	-
Loss before other items	(60,394)	(178,334)	(92,456)	(45,782)	(63,929)	(87,939)	(142,929)	(172,940)
Interest and other income	637	1,124	1,764	2,281	2,307	3,468	4,226	5,588
Gain (loss) on short-term investments	30,518	(10,347)	(10,345)	(15,517)	(31,035)	58,034	(61,601)	-
Realization of flow through premium liability	2,330	3,880	-	-	-	-	-	-
Comprehensive profit (loss)	(26,909)	(183,677)	(101,037)	(59,018)	(92,657)	(26,437)	(200,304)	(167,352)
Basic and diluted earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Generally, the most significant influences on the variability of profit or loss is the amount of stock-based compensation, the amount of exploration and evaluation asset impairments or recoveries, and gains or losses on short-term investments. Options issued during Q3 2023 and Q1 2025, negatively impacted earnings in those quarters without impacting cashflow.

The timing of the impairments and gains on sale of the Company's exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period-by-period basis.

Interest and other reflect foreign exchange gains and losses incurred on a US dollar denominated bank account held by the Company to conduct its business in the United States.

Occasionally the Company receives common shares in publicly traded Companies as partial consideration for the sale of mineral property interests. The sale of Homeland Nickel Inc common shares during Q2 2025 and Q1 2024 positively impacted earnings in those periods when the sale proceeds net of the cost of the shares and the reversal of prior period valuation losses resulted in a gain on the sale of these securities.

The Company's improved working capital position is the result of the equity issue in Q1 2025. Flow through share commitments are fully funded, however, no further activities are currently planned, and the Company intends to preserve working capital to finance day to day activities until further future financing opportunities arise.

11. Directors and Officers

Shane Ebert	<i>Director and President</i>	Gregory Hanks	<i>Director</i>
Jean Pierre Jutras	<i>Director and Vice-President</i>	Chantelle Collins	<i>Chief Financial Officer</i>
Barbara O'Neill	<i>Corporate Secretary</i>	Lesley Hayes	<i>Director</i>
Blair Schultz	<i>Director</i>		

12. Related Party Transactions and Key Management Remuneration

Related party transactions for the six months ended March 31, 2025, and 2024, are disclosed and explained in Note 16 to the Condensed Interim Consolidated Financial Statements dated March 31, 2025, that accompany this MD&A.

13. Share Capital and Equity Reserves

Refer to Note 11 in the Consolidated Financial Statements dated March 31, 2025, as well as the Condensed Interim Consolidated Statement of Changes in Equity that accompany this MD&A for common share capital and stock option transactions for three and six months ended March 31, 2025, and balances as at that date.

On February 25, 2025, the Company issued 500,000 common shares at \$0.04 per share in partial settlement of an obligation contained within the Louise Property option agreement, further details in Section 7, Contractual Obligations.

On November 14, 2024, CANEX closed the first tranche of an equity financing and on November 25th announced the closing of the second and final tranche to complete the oversubscribed transaction. In total the Company issued 3,000,000 common shares at \$0.045 per share. In addition, 5,033,365 flow-through common shares (FT shares) were issued at \$0.06 per share. Gross proceeds of \$437,002 will be used to advance the Louise Cu-Au porphyry in British Columbia and the Gold Range oxide gold project in northern Arizona. Related parties comprised of officers and directors acquired 111,108 common shares and 583,335 FT shares.

On November 25, 2024, the Company granted, pursuant to its stock option plan, a total of 5,200,000 incentive stock options to existing directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.05 per share for five years, with a portion vesting immediately and the remaining vesting over a two year period. These incentive options replace 3,285,000 options that expired during 2024.

14. Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable (net of sales tax) and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. On March 31, 2025, the Company had US\$361 (CAD\$519) in a US denominated bank account (September 30, 2024 - US\$1,189, (CAD\$1,605)) The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of \$52 (2024 - \$161).

15. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at March 31, 2025, and September 30, 2024.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition

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commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The Company feels that it has sufficient working capital to finance general and administrative, other operating expenses and flow through share commitments for approximately the next four months assuming similar activity levels to the previous year. Additional financing will be required to fund new property acquisitions and future exploration programs. Refer to Note 1 – “Nature of operations and continuance of operations” on the Consolidated Financial Statements at March 31, 2025, that accompany this MD&A.

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the three months ended March 31, 2025, the Company sold all the remaining equity investments and no longer has any exposure to this risk.

The Company has not yet developed producing mineral interests; it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US\$ commitments pertaining to royalty rights in Section 7. “Contractual obligations”. Refer to Section 14. “Financial instruments” for the foreign exchange risk associated with the foreign denominated cash balances held in US\$ at March 31, 2025, and September 30, 2024.

16. Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

On March 20, 2025, Mayfair Acquisition Corp. ("Mayfair") (TSX.V:MFA.P), announced their intention to make an unsolicited offer to acquire all the shares of CANEX and all of the shares of Gold Basin Resources ("Gold Basin") (TSX.V:GXX) in an all share transaction. The Board of Directors and management of CANEX are highly supportive of the concept of consolidating the CANEX and Gold Basin properties and view a merger of the large gold system that spans both Company's properties as an excellent opportunity to unlock value for both CANEX and Gold Basin shareholders. CANEX is engaged in constructive discussions with Mayfair and Discovery Group representatives and will update shareholders in due course.

At the Gold Range property, the WestGold target contains the largest and highest-grade gold in soil anomaly defined to date and the Company's drill test of that target has resulted in a new and potentially very significant gold discovery that will be an important focus for the Company moving forward. Although there are opportunities to further explore the Gold Range Property in Arizona, USA, the Company only has sufficient working capital to conduct measured low-cost surface exploration programs, such as those undertaken in March 2024 at WestGold, without the need for additional financing. Near and midterm objectives will include low-cost advancement of surface targets in preparation for drill testing to be conducted once market conditions allow further financing opportunities.

At the newly acquired Louise Property, the Company has assembled and analyzed historic data and has formulated an exploration plan for the project. The Louise porphyry hosts a copper-gold deposit that has

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been drill defined over an area 1000 meters long by 400 meters wide and to approximately 300 meters depth. Strong grades occur in the system highlighted by hold LL04-03 which returned 158 metres grading 0.41% copper and 0.40 g/t gold. CANEX is planning to conduct a modern deep looking induced polarization (IP) survey to explore the district across 6 to 7 kilometres of strike length and to depths up to 1000 metres to fully assess the district potential surrounding the known historic resource. Proceeds from the FT shares will be used before December 2025 to carry out the IP survey which will constitute Canadian exploration expenses within the meaning of subsection 66.1(6) of the Income Tax Act (Canada) (the "Tax Act"), that will qualify as "critical mineral flow through mining expenditures" within the meaning of the Tax Act.

With respect to the Gibson Prospect, to date the Company has expended \$293,500 on exploration activities. Due to limited resources, including manpower, the Company has focussed its attention on exploration activities on the Gold Range property and the Louise project as discussed above. The Company continues to hold core claims which expire January 2029, keeping possibilities open for the Company to find a third-party partner to further the exploration program.

The Company continues to actively search for new early-stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition, or similar agreements except as noted above.

17. Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development, and operating risks**

The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be

required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**

The Company has limited financial resources, no operations, and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**

The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other

mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**

Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

18. Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining

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concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company's estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require certain assumptions to be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested during the year.

The Company estimates the fair value of its short-term equity investments at the end of each period as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

19. New Accounting Policies

The Company did not adopt any new accounting policies during the six month period ended March 31, 2025.

20. Other

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca