VELOX ENERGY MATERIALS INC.

(Formerly Currie Rose Resources Inc.)
(An Exploration Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024, AND 2023

(expressed in Canadian dollars)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.)

Opinion

We have audited the consolidated financial statements of **Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.)** ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and December 31, 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 (d) (vi) in the consolidated financial statements, which indicates that the Group has not yet achieved profitable operations, has an accumulated deficit of $24,970,867, and net comprehensive loss for the year of $3,835,499 and expects to incur future losses in the development of its business. As stated in Note 2 (d) (vi), these events or conditions, along with other matters as set forth in Note 2 (d) (vi), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the years ended December 31, 2024 and December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Evaluation of Capitalized Resource Property Costs for Potential Impairment

Description of the matter

We draw attention to Note 9 to the consolidated financial statements. The investment in the Vanadium resource properties is $2,165,257 as at December 31, 2024. At each reporting date, the Group must consider whether there is objective evidence of impairment in the resource properties as a result of events that have occurred after the initial recognition of the resource property costs (a "loss event") and whether that loss event (or events) has an impact on the estimated recoverability of the resource properties. The Group's assessment of whether there are any indicators that the carrying value of its investment in Vanadium resource properties may be impaired is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of evidence of impairment for the Vanadium resource properties as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

To the Shareholders of Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.) (Continued)

Key Audit Matters (Continued)

How the matter was addressed in the audit

Evaluation of Capitalized Resource Property Costs for Potential Impairment (Continued)

The primary procedure we performed to address this key audit matter included the following:

- We evaluated the appropriateness of the Group's impairment analysis by assessing the resource properties for any indicators of impairment in accordance with IFRS 6.

Evaluation of Intangible Asset (Asset Held for Sale) for Potential Impairment

Description of the matter

We draw attention to Note 8 to the consolidated financial statements. The intangible asset (asset held for sale) is $1,224,882 as at December 31, 2024. At each reporting date, as the intangible asset (asset held for sale) is not yet ready for use, the Group must assess the recoverable amount of the intangible asset compared to the carrying amount to determine if the asset is impaired. The Group's assessment of the recoverable amount of the asset is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of the recoverable amount of the intangible asset as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

- We evaluated the appropriateness of the Group's impairment analysis by assessing the intangible asset (asset held for sale) recoverable amount in accordance with IFRS 5 and IAS 36.
- We reviewed management's fair value assessment of the intangible assets which are currently under asset held for sale

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the years ended December 31, 2024 and December 31, 2023, filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

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

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

To the Shareholders of Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.) (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

To the Shareholders of Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.) (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current and prior period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Edwin Leung.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants

St. Catharines, Ontario
April 30, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024, AND DECEMBER 31, 2023

(Expressed in Canadian dollars)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents		577,761	2,080,309
Accounts receivable	6	31,043	47,079
Prepaid expenses		5,276	9,346
Security deposit		24,295	26,979
Marketable securities	7	6,250	7,500
Assets held for sale	8	1,259,527	-
		$ 1,904,152	$ 2,171,213
Non-current Assets			
Resource properties	9	2,140,466	1,684,892
Property, plant and equipment		4,529	-
Right of use of assets		6,242	25,232
Intangible assets	5	-	3,475,068
Total Assets		$ 4,055,389	$ 7,356,405
LIABILITIES			
Current Liabilities			
Accounts and other payables	10	372,738	171,392
Liabilities held for sale		75,068	-
Lease liability		7,567	25,488
		$ 455,373	$ 196,880
SHAREHOLDERS' EQUITY			
Share capital	11	24,057,816	24,057,816
Contributed surplus		2,295,156	1,677,037
Warrants reserve	12	1,193,164	1,677,655
Share based payments reserve	13	946,149	803,787
Accumulated deficit		(24,970,867)	(21,144,937)
Accumulated other comprehensive income		78,598	88,167
Total Shareholders' Equity		$ 3,600,016	$ 7,159,525
Total Liabilities and Shareholders' Equity		$ 4,055,389	$ 7,356,405

Basis of presentation and going concern (Note 2)
Commitment and contractual obligations (Note 16)
Subsequent events (Note 20)

The accompanying notes form an integral part of these consolidated financial statements

Approved on behalf of the Board:

"Nicole Morcombe" Director *"Michael Griffiths"* Director

CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024, AND 2023

(Expressed in Canadian dollars)

	Note	2024	2023
Expenses			
Management fees	15	371,515	402,896
Listing fees and shareholder information		53,111	49,142
Professional fees		414,610	209,019
General and administration		281.780	249.657
Share-based compensation	13	275,990	657,821
Total Expenses		**(1,397,006)**	**(1,568,535)**
Loss from operations before undemoted items		**(1,397,006)**	**(1,568,535)**
Interest income		8,299	52,488
(Decrease)/Increase in fair value of marketable securities	6	(1,250)	(1,325)
Gain on debt settlement	15	-	130,000
Net Loss for the period		**(1,389,957)**	**(1,387,372)**
Loss for the period from discontinued operations	8	(2,435,973)	(123,382)
Net loss for the period		**(3,825,930)**	**(1,510,754)**
Other comprehensive income			
Foreign exchange gain on translating foreign operations		(9,569)	27,736
Other comprehensive income for the period		**(9,569)**	**27,736**
Comprehensive loss for the period		**(3,835,499)**	**(1,483,018)**
Weighted average shares outstanding			
- Basic and diluted	11	88,376,816	70,901,550
Loss per share from continuing operations		$ (0.016)	$ (0.020)
Loss per share from discontinued operations		$ (0.028)	$ (0.002)

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR _THE YEAR ENDED DECEMBER 31, 2024 AND 2023_

(Expressed in Canadian dollars)

	Share Capital		Reserves					
	Number of shares	Dollar amount	Contributed Surplus	Warrants	Share based payments	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2023	**174,525,233**	**$ 19,758,138**	**$ 1,516,555**	**$ 1,062,253**	**$ 306,448**	**$ (19,633,873)**	**$ 60,429**	**$ 3,069,950**
Issuance of shares on acquisition (Note 5)	50,000,000	3,500,000	-	-	-	-	-	3,500,000
Issuance of common shares on private placement (Note 11)	30,000,000	870,705		629,296				1,500,001
Expiry of options			160,482		(160,482)			-
Finders Warrants				37,440				37,440
Share and warrants issue costs		(71,027)		(51,334)				(122,361)
Share based payments (Note 13)	-	-	-	-	657,821	-	-	657,821
Other comprehensive income	-	-	-	-	-	-	27,738	27,738
Net loss for the period	-	-	-	-	-	(1,511,064)	-	(1,511,064)
Balance, December 31, 2023	**254,525,233**	**24,057,816**	**1,677,037**	**1,677,655**	**803,787**	**(21,144,937)**	**88,167**	**7,159,525**
Consolidation at 2.88 per one common share	(166,148,417)	-	-	-	-	-	-	-
Expiry of options	-	-	133,628	-	(133,628)	-	-	-
Expiry of Warrants	-	-	484,491	(484,491)	-	-	-	-
Share based payments (Note 13)	-	-	-	-	275,990	-	-	275,990
Other comprehensive income	-	-	-	-	-	-	(9,569)	(9,569)
Net loss for the period	-	-	-	-	-	(3,825,930)	-	(3,825,930)
Balance, December 31, 2024	**88,376,816**	**$ 24,057,816**	**$ 2,295,156**	**$ 1,193,164**	**$ 946,149**	**$ (24,970,867)**	**$ 78,598**	**$ 3,600,016**

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR *ENDED DECEMBER 31, 2024 AND 2023*

(Expressed in Canadian dollars)

	Note	2024	2023
Cash Flows from Operating Activities			
Net loss for the period		$ (3,825,930)	$ (1,511,064)
Non-cash items:			
Share based compensation	13	275,990	657,821
Gain on debt settlement	15	-	(130,000)
Decrease in fair value of marketable securities	7	1,250	1,325
Amortization Right of Use of Assets		18,990	256
Write down of intangible assets	8	2,250,186	-
		(1,279,514)	(981,662)
Net change in non-cash working capital items:			
Accounts receivable		16,036	(2,089)
Net assets/(liabilities) held for sale		40,423	-
Prepaid expense		4,070	(3,978)
Security deposit		2,684	(17,783)
Accounts payable and accrued liabilities		201,345	(18,492)
Cash Flows used in operating activities		**(1,014,956)**	**(1,024,004)**
Cash Flows from Investing Activities			
Resource property expenditures	9	(455,574)	(634,243)
Property, plant & equipment		(4,529)	-
Acquisition of Kotai, net cash acquired	5	-	588
Proceeds on sale of marketable securities	7	-	8,400
Cash Flows used in investing activities		**(460,103)**	**(625,255)**
Cash Flows from Financing Activities			
Issuance of shares, net of transactions costs	11	-	1,415,080
Lease payment		(17,921)	-
Cash Flows from financing activities		**(17,921)**	**1,415,080**
Effect of exchange rates on cash		(9,568)	27,740
Increase/(decrease) in cash		**(1,502,548)**	**(206,439)**
Cash, beginning of the period		2,080,309	2,286,748
Cash, end of the period		**$ 577,761**	**$ 2,080,309**
Supplemental disclosure of cash flow information			
Interest received		8,299	52,488

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Velox Energy Minerals Inc. (formerly Currie Rose Resources Inc.) ("Velox" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. Velox formerly traded under Currie Rose Resources Inc and announced on the TSX Venture Exchange, that effective 18 October 2023 the Company changed its name to Velox Energy Materials Inc.. It is a public company that trades on the TSX Venture Exchange under the symbol "VLX". Velox is a precious metal explorer focused on identifying high value assets and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities. The head office and principal address of the Company is located at 10th floor, 595 Howe Street, Vancouver, BC V6C 2T5, Canada.

2. BASIS OF PRESENTATION AND GOING CONCERN

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were authorized for issuance by the Board of Directors on April 30, 2025.

b) Basis of presentation and consolidation

These consolidated financial statements have been prepared on historical cost basis, except for financial instruments classified as fair value through profit and loss. Unless otherwise stated, the consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains most of its financing through Canadian dollar private placements.

These consolidated financial statements include accounts of the Company and its wholly owned subsidiary, Currie Rose Vanadium Pty Ltd. and WA Hydrogen Pty Ltd. incorporated in Australia. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity

c) Functional and presentation currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars, which is the functional currency of the parent. The functional currency of the wholly owned subsidiary Currie Rose Vanadium Pty Ltd and WA Hydrogen Pty Ltd is the Australian dollar.

Foreign currency transactions are translated into the functional currency of the related entity at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the related entity at the foreign exchange rate applicable at the consolidated statement of financial position date. Non-monetary assets and liabilities are not remeasured unless they are recognized at fair value, in which case they are translated using the exchange rate at the date when the fair value was measured. Any translation gains or losses on these items are recognized in net loss, except for gains or losses noted on intercompany loan balance, which are recognized in other comprehensive loss.

The assets and liabilities of Currie Rose Vanadium Pty Ltd And WA Hydrogen Pty Ltd are translated from its functional currency of the Australian dollar to the presentation currency of the Canadian dollar at the foreign exchange rate applicable at the consolidated statement of financial position date. Revenue and expenses are translated from its functional currency of the Australian dollar to the presentation currency of the Canadian dollar at the average foreign exchange rate for the period. Any translation gains or losses on these items are recognized other comprehensive loss.

d) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgements include but are not limited to the following:

i. Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to recognition of fair value of the exploration permits acquired for shares of the Company. For any Resource property asset identified, depending on the type of asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on the fair value of the consideration paid for such resource assets.

ii. Determination of fair value of equity settled transactions using option pricing models

The Company measures the cost of equity-settled transactions consisting of stock options and share purchase warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

iii. Share-based payments

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

iv. Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility.

Certain of the inputs are estimates which involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or higher volatility number used would result in an increase in the warrant value.

v. Income taxes

The Company applies judgment in determining the tax rates applicable to the temporary differences to determine the provision for income taxes. Deferred taxes relate to temporary differences between accounting and tax asset values. They are measured using tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences between accounting and tax asset values expected to be deductible or taxable in the future.

The recognition of deferred tax assets is based on likelihood of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

vi. Going concern

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

As at December 31, 2024, the Company had working capital of $1,448,779 (December 31, 2023 - $1,974,333) and had an accumulated deficit of $24,970,867 (December 31, 2023 - $21,144,937). Net comprehensive loss for the year ended December 31, 2024, was $3,835,499 (2023- $1,483,327). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests.

The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. These factors create material uncertainties that cast significant doubt as to the

propriety of the use of the going concern assumption upon which these consolidated financial statements have been prepared.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are set out below:

a) Cash and cash equivalents

The Company defines cash and cash equivalents as highly liquid investments held for the purpose of meeting short term cash commitments that are readily convertible into known amounts of cash. Such liquid investments have less than 90-day terms or are redeemable at the option of the Company.

b) Investment

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments are initially recognized at fair value, with changes in fair value reported in profit or loss. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in profit or loss. The determination of fair value requires judgment and is based on market information where available and appropriate. Transaction costs are expensed as incurred in profit or loss.

Publicly-traded investments

Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instruments.

Financial assets and financial liabilities are initially measured at fair value and are classified as Fair Value through Profit or Loss ("FVTPL"), Fair Value Through Other Comprehensive Income ("FVTOCI") or amortized costs. The classification is determined at initial recognition and is dependent on the business model in which a financial asset is managed and the characteristics of the contractual cash flows. A financial liability is classified as amortized cost at initial recognition unless it is classified as FVTPL (derivative instrument or is specifically designated as FVTPL). Financial liabilities classified as amortized cost are subsequently measured using the effective interest method while financial liabilities at FVTPL are subsequently measured at fair value with changes in fair value recognized in consolidated statements of operations in the period in which such changes arise.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

The Company's financial assets and liabilities are classified into the following categories:

Asset/Liabilities	Measurement
Cash and cash equivalents	Fair value
Accounts receivable	Amortized cost
Security deposit	Amortized cost
Marketable securities	Fair value
Accounts payable and accrued liabilities	Amortized cost

The classification of financial instruments depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

Accounts payable and accrued liabilities are classified as amortized cost. Subsequent to initial recognition, these liabilities are carried at amortized cost, using the effective interest method.

Impairment of financial assets

At each reporting date, each financial asset measured at amortized cost is assessed for impairment under an expected credit loss (ECL) model. The Company applies the simplified approach which uses lifetime ECLs for receivables.

d) Resource properties

Resource properties are recorded at cost on an area of claims basis and carried as an asset until the results of the project are known. Cost includes initial acquisition costs of the property and exploration expenses incurred with respect to the property, net of any recoveries received with respect to option agreements entered into related to the property. In the event a commercial ore deposit is located, cost will be amortized against income by the unit of production method. In the event of an abandonment, sale, or the expiration of an area of claims, cost will be written off against income. Any costs incurred in the review of properties for possible acquisition, such as travel and geological consulting, are expensed as incurred, and only capitalized once the acquisition decision has been reached by management.

The cost of resource properties does not necessarily reflect present or future values. The ultimate realization of the amounts shown as resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the successful commercial development and exploration of the areas of interest, including the ability to obtain necessary financing to complete development or alternatively by their sale.

Based on annual impairment reviews by management, or circumstances indicating that the net carrying amount of these resource property costs will not be recovered, the carrying value is written down to fair value and charged against operations. Indicators of impairment would include any of: (i) exploration activities have ceased, (ii) exploration results are not promising such that exploration will not be planned for the foreseeable future, (iii) lease ownership right expired, (iv) funding is not available to complete the exploration program, or (v) the sale of the property.

e) Share capital

Common shares issued in exchange for goods and services are recorded at an amount based on the fair market value of the common shares just prior to the date of issuance.

Common shares issued in private placements, in conjunction with common share purchase warrants, are recorded using the relative fair value method, whereby the proceeds of the private placement are allocated to the common shares and the common share purchase warrants based on their relative fair values in relation to each other at the time of the private placement.

Share issuance costs are allocated to share capital and warrants based on their relative fair values in relation to each other at the time of the private placement.

f) Share based compensation

The Company recognizes as compensation the fair value of common share purchase warrants or stock options issued in exchange for services provided by officers and directors and outside consultants. The cost of officer and director compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the

granting date. The cost of outside consultant compensation is calculated using the fair value method based on the fair value of the common share purchase warrant or stock option on the earlier of a) date when performance is complete, b) date on which a commitment for performance by the counterparty to earn the compensation is reached, or c) the grant date. Compensation expense is recognized over the vesting period of the related instrument granted or the service period for which such instrument is granted, whichever is shorter.

The proceeds from the exercise of stock options or warrants are recognized in share capital upon exercise at the exercise price paid by the holder, along with the related cost of such items originally credited to common share purchase warrants or options.

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 common share purchase warrants and stock options issued.

g) Income taxes

The Company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The amount of future tax assets recognized is limited to the amount, if any, that is considered to be more likely than not to be realized.

h) Accumulated other comprehensive income

Net comprehensive loss is comprised of net loss and other comprehensive loss. Certain gains and losses arising from changes in fair value are temporarily recorded outside the consolidated statements of loss in accumulated comprehensive income ("AOCI") as a separate component of consolidated shareholders' equity. Other comprehensive loss or income includes any unrealized gains and losses on translating foreign operations.

i) Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

j) Loss per share

Basic loss per share amounts are calculated by dividing consolidated net loss for the reporting period attributable to common shareholders by the weighted average number of common shares outstanding during the year. The weighted average share and loss per share figures reflects a share consolidation of 1 new share for every 2.88 old shares effective on August 13, 2024.

Diluted loss per share amounts are calculated by dividing the consolidated net loss attributable to common shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the

dilutive potential ordinary shares into common shares. Diluted loss per share amounts are not presented if their inclusion would be anti-dilutive.

k) Use of estimates

The preparation of these consolidated financial statements requires management to make estimates and judgements about the future that affect the amounts recorded in the consolidated financial statements. These estimates and judgements are based on the Company's experience and management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and judgements.

l) Accounting Standards, Amendments and Interpretations Note Yet Effective

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 brings three sets of new reporting requirements to provide investors with more transparent and comparable information about companies' financial performance for improved investment decision making, including:

- Three defined categories for income and expense – operating, investing and financing – to improve the structure of the income statement. All companies will be required to provide new defined subtotals, including operating profit/(loss);
- Requirement for companies to disclose descriptions of management-defined performance measures that are related to the income statement; and
- Enhances guidance on how to organize information and whether to provide it in the financial statements or in the notes.

This standard is effective for reporting periods beginning on or after January 1, 2027.

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As at the date of authorization of these consolidated financial statements, the IASB has issued the following new or revised standards as detailed below.

(a) IAS 12 "Income taxes": This standard has been amended to require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. There was no impact on the Company related to this new standard.

5. ACQUISITIONS

On October 27, 2021, the Company announced subject to regulatory approval, the 100% interest in two brown field Vanadium (Battery Metal) Projects (the "Project") located in North Queensland, Australia. The Project includes the historic Cambridge Vanadium deposit which is an easterly continuation of the Lilyvale Vanadium deposit that contains an indicated and inferred resource of 560Mt at 0.48 V205%. The Project also includes a package 1,240 km2 close to infrastructure and enroute to Townsville Port. On August 5, 2022 the Company announced the closing of the acquisition of the Project.

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited. In addition, the Company issued 8,000,000 share purchase warrants at $0.10

with a 2-year expiry. The Company will also pay a 2% net gross revenue royalty with the Company holding the right to purchase 50% of either Royalty by making a payment to the Royalty holders of $1,000,000, in cash.

Since the Vanadium Project did not meet the definition of a business under IFRS 3 – Business Combinations, the acquisition was accounted for as a purchase of Vanadium assets. The consideration paid was determined as equity-settled share-based payments under IFRS 2, at the fair value of the equity of the Company issued to the vendors on the date of closing as noted above. IFRS 2 requires the shares issued for the acquisition of the net assets of the Project to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the final fair value allocation to identifiable net assets acquired at December 31, 2022.

		Total
Resource properties	$	868,441
Fair value of consideration paid		
Common Shares		750,000
Warrants		118,441
		868,441

On September 19, 2023, the Company announced the closing of the acquisition of WA Hydrogen Pty Ltd. (“Kotai Energy” or “Kotai”) through the acquisition of all of the issued and outstanding shares of Kotai in consideration for the issuance of 50 million common shares of the Company (the “Consideration Shares”) a 5% royalty on future production (the “Transaction”).

Under the Transaction, Kotai Energy is now a wholly-owned subsidiary of the Company. The Company will continue to primarily focus on its Project in Queensland, Australia, while owning (through Kotai Energy) the option to acquire 100% of the intellectual property rights associated with the Hydrogen Project (the“"Optio”") from Curtin University. Should Kotai exercise the Option within the 24 month period following completion of the Hydrogen Project, it will make an AUD $1 million cash payment to Curtin University and Curtin University will be entitled to anticipated future performance payments comprised of: (i) AUD $4 million in cash at the time of completion of an industry-standard feasibility study; and (ii) AUD $6 million in cash at the time of reaching commercial production.

Since the Kotai acquisition did not meet the definition of a business under IFRS 3 – Business Combinations, the acquisition was accounted for as a purchase of assets. The consideration paid was determined as equity-settled share-based payments under IFRS 2, at the fair value of the equity of the Company issued to the vendors on the date of closing as noted above. IFRS 2 requires the shares issued for the acquisition of the net assets of the Option to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the fair value allocation to identifiable net assets acquired at June 30, 2023.

		Total
Cash	$	588
Accounts receivable		28,605
Intangible asset (Developed technology)		3,475,068
Accounts payable		(4,261)
	$	3,500,000
Fair value of consideration paid		
Common Shares		3,500,000
	$	3,500,000

The intangible asset represents the 100% purchase option the Company acquired associated with the Hydrogen Project from Curtin University.

6. ACCOUNTS RECEIVABLE

The accounts receivable represents the refundable HST and GST ITC claims for the year ended December 31, 2024.

7. MARKETABLE SECURITIES

	December 31, 2024		December 31, 2023	
	Shares	$	Shares	$
MacDonald Mines Exploration Ltd.	125,000	$ 6,250	125,000	$ 7,500
	125,000	**$ 6,250**	**125,000**	**$ 7,500**

As part of the sale of its interest in the Scadding property in 2019, the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. On December 7, 2022, MacDonald Mines Exploration Ltd. conducted a 10:1 share consolidation resulting in the Company's holdings of 2,650,000 common shares being replaced with 265,000 common shares. In September 2023, 140,000 shares were sold, and proceeds relating to the sale of $8,400 were recognized.

As part of the sale of its interest in the Scadding property in 2019, the Company received 8,000,000 shares of MacDonald Mines Exploration Ltd. A loss of $1,250 for the period was also recognized in the Statement of Net Loss and Comprehensive Loss (2023: $90). The fair value of the remaining 125,000 common shares held of MacDonald Mines Exploration Ltd. was $6,250 at December 31, 2024 compared to $7,500 at December 31, 2023.

8. ASSETS HELD FOR SALE & DISCONTINUED OPERATIONS

The Company previously disclosed its intention to pursue a dual listing on the Australian Securities Exchange ("ASX"). In June 2024, the Company submitted an In-Principle Application to the ASX; however, in September 2024, the application was not approved. The ASX determined that the Kotai Hydrogen Project, together with the Company's proposed activities and obligations in respect of that project, was at too early a stage to qualify as part of the Company's listing assets.

Following the ASX's notification, the Company assessed various alternatives to divest the Kotai Hydrogen Project, with the objective of maximising shareholder value.

As a result, the intangible assets related to the Kotai Hydrogen Project were reclassified as assets held for sale as at December 31, 2024. In accordance with IFRS 5 *Non-current Assets Held for*

Sale and Discontinued Operations, the intangible asset was measured at the lower of its carrying amount and its fair value less costs to sell. Consequently, an impairment loss of $2,250,186 was recognised in the statement of profit or loss for the year ended 31 December 2024.

a) Financial performance and cash flow information

The financial and cash flow information presented is for the years ended December 31, 2024, and December 31, 2023, in relation to WA Hydrogen Pty Ltd, the subsidiary that held the Kotai Hydrogen Project.

		2024		2023
Revenue	$	51,406	$	-
Expenses		(237,193)		(123,382)
Write down of intangible asset		(2,250,186)		
Loss before income tax		(2,435,973)		(123,382)
Income tax expense		-		-
Net Loss from discontinued operation	**$**	**(2,435,973)**	**$**	**(123,382)**
Net cash inflow from operating activities	$	(192,046)	$	(140,268)
Net cash inflow from investing activities	$	-	$	34,921
Net cash inflow from financing activities	$	167,119	$	144,839
Net (decrease)/increase in cash generated by the su	**$**	**(24,927)**	**$**	**39,492**

b) Assets and liabilities of the disposal subsidiary as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at December 31, 2024:

		2024		2023
Assets classifed as held for sale				
Cash and cash equivalents	$	20,915	$	-
Accounts receivable	$	13,730	$	-
Intangible assets	$	1,224,882	$	-
Total assets of disposal subsidiary held for sale	**$**	**1,259,527**	**$**	**-**
Accounts and other payables	$	(75,068)	$	-
Total liabilities of disposal subsidiary held for sale	**$**	**(75,068)**	**$**	**-**

9. RESOURCE PROPERTIES

	Opening	Acquisition Costs	Geological and technical	Professional fees	Travel and admin costs	FX movement	Closing
Queensland, Australia	1,050,647	7,878	475,525	12,441	138,399	-	1,684,890
Jubilee Reef, Tanzania	1	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	1
Balance, December 31, 2023	**1,050,649**	**7,878**	**475,525**	**12,441**	**138,399**	**-**	**1,684,892**
Queensland, Australia	1,684,890	-	264,755	-	214,906	(24,087)	2,140,464
Lake Pierre, Canada	-	-	-	-	-	-	-
Jubilee Reef, Tanzania	1	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	1
Balance, December 31, 2024	**$ 1,684,892**	**$ -**	**$ 264,755**	**$ -**	**$ 214,906**	**$ (24,087)**	**$ 2,140,466**

10. ACCOUNTS AND OTHER PAYABLES

	2024	2023
Accounts payable	$ 189,230	$ 46,917
Accrued Liabilities	79,320	81,385
Other payable	104,188	43,091
	$ 372,738	**$ 171,392**

Trade accounts payable and accrued liabilities as at December 31, 2024, includes $230,032 (December 31, 2023 - nil) of unpaid director and management fees owing to the related parties disclosed in note 15.

11. SHARE CAPITAL

Authorized:

Unlimited common shares

Common shares have no par value.

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the consolidated statements of changes in shareholders' equity for the period from January 1, 2023, to December 31, 2024. Descriptions of the significant changes in each component are as follows:

(a) Acquisition of Kotai

On June 19, 2023, the Company acquired Kotai Energy in a share exchange agreement in which the Company issued 50,000,000 common shares in exchange for 100% of Kotai Energy at a fair value of $0.07 per common share or $3,500,000.

(b) Completion of private placement on December 6, 2023

On December 6, 2023, the Company completed a new non-brokered private placement issuing 30,000,000 units for total gross proceeds of $1,500,000 or $0.05 per unit.

Each unit consists of one Common Share of the Company and one common share purchase warrant (each, a "Warrant"). Each whole Warrant entitles the holder to purchase one Common Share of the Company at a price of C$0.075 for a period of 24 months following the closing date of the Offering. If the volume-weighted average price of the common shares of the Company on

the TSX Venture Exchange over the preceding 20 trading days is greater than $0.15, the Company can elect to accelerate the term of the Warrants to 30 calendar days following the date a press release announcing the notice of acceleration is provided. The securities issued under the private placement are subject to a hold period expiring four months and one day from the date of issue.

In connection with the closing, the Company paid compensation of $90,000 and issuance of 900,000 Broker Warrants with a fair value of $37,440, to various eligible Finders on the first tranche. The fair value of the Warrants was based on assumptions used as disclosed in Note 12.

(c) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the year ended December 31, 2024, was 88,376,816 (2023 – 70,901,550) post share consolidation. Refer to Note 3 (j) for further information on the share consolidation.

The potentially dilutive equity instruments outstanding were (i) 7,034,722 stock options (2023 – 6,114,583) post share consolidation, and (ii) 24,444,449 common share purchase warrants for the year ended December 31, 2024 (2023 – 33,765,589) post share consolidation.

12. WARRANTS RESERVE

The following tables reflect the continuity of warrants for the year ended December 31, 2024, and 2023 as follows:

	Number of Warrants	Weighted Average Exercise Price	Fair Value
Balance outstanding, January 1, 2023	**66,344,897**	**$ 0.068**	**$ 1,062,253**
Warrants issued	30,900,000	$ 0.070	666,736
Warrants issued cost	-	-	(51,334)
Expired	-	-	-
Balance outstanding, December 31, 2023	**97,244,897**	**$ 0.070**	**$ 1,677,655**
Warrants issued	-	-	-
Consolidated rate of 2.88 per warrant	(63,479,308)	$ 0.024	-
Expired	(9,321,140)	0.270	(484,491)
Balance outstanding, December 31, 2024	**24,444,449**	**$ 0.180**	**$ 1,193,164**

The fair value of warrants issued during the year ended December 31, 2024, less than that calculated in Black Scholes due to relative fair value method. The following table reflects the Black-Scholes pricing model assumptions:

	October 14, 2022	December 5, 2023
Average exercise price ($)	$ 0.050	$ 0.08
Fair value of the award	$ 617,412	$ 666,736
Risk free interest rate	4.02%	4.02%
Expected dividend yield	0.00%	0.00%
Expected volatility	150%	160%
Expected life of the warrants	2.00	2.00

The expected volatility noted above was based on the Company's historical stock price volatility.

The remaining life on the outstanding warrants are:

	Number of warrants				
		Consolidation			
Grant Date	Granted	Rate of 2.88	Exerciseable	Exercise price	Remaining life
October 14, 2022	39,500,003	13,715,281	13,715,281	$ 0.144	0.50
December 5, 2023	30,900,000	10,729,167	10,729,167	$ 0.216	0.93
	70,400,003	24,444,448	24,444,448	$ 0.180	

On January 7, 2025, the Company announced that TSX Venture Exchange has approved an extension of 13,715,281 post-consolidation common share purchase warrants. The new expiry date for the Warrants is June 30, 2025. Originally issued as part of the Company's private placement completed on October 14, 2022, the post-consolidation Warrants remain exercisable at a price of $0.144.

13. STOCK OPTIONS

The Company has a 10% rolling stock option plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five-year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted.

The stock option plan indicates that unless otherwise specified by the Board at the time of granting an Option, options vest at time of granting, except options granted to consultants performing investor relation activities, which must vest in stages over 12 months such that (i) no more than 1/4 of the Stock Options vest no sooner than three months after the Stock Options were granted; (ii) no more than another 1/4 of the Stock Options vest no sooner than six months after the Stock Options were granted; (iii) no more than another 1/4 of the Stock Options vest no sooner than nine months after the Stock Options were granted; and (iv) the remainder of the Stock Options vest no sooner than 12 months after the Stock Options were granted. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

Stock option activity for the year ended December 31, 2024 and December 31, 2023 was as follows:

	Stock Options	Weighted Average Exercise Price
Options outstanding, January 1, 2023	**9,390,000**	**$ 0.058**
Issued	13,000,000	0.056
Expired	(4,780,000)	0.056
Options outstanding, December 31, 2023	17,610,000	0.056
Issued	6,000,000	0.050
Expired	(3,350,000)	0.058
Options outstanding, December 31, 2024	**20,260,000**	**$ 0.059**
Consolidation at 2.88 per option	(13,225,278)	
Options outstanding, December 31, 2024	**7,034,722**	**$ 0.153**
Exercisable options	7,034,722	$ 0.153

The following table reflects the Black-Scholes pricing model assumptions:

Option price (CAD$) Post Consolidation	Options Outstanding Post Consolidation	Weighted Average Exercise Price	Weighted Ang Remaining Contractual Life (Yrs.)	Options Exercisable
At $0.144	90,278	$ 0.144	1.40	90,278
At $0.144	694,444	$ 0.144	2.87	694,444
At $0.158	868,056	$ 0.158	3.28	868,056
At $0.144	1,562,500	$ 0.144	3.46	1,562,500
At $0.173	1,736,111	$ 0.173	3.57	1,736,111
At $0.144	2,083,333	$ 0.144	4.03	2,083,333
	7,034,722	$ 0.151	3.61	7,034,722

The expected volatility noted above was based on the Company's historical stock price volatility.

The remaining life on the outstanding options are:

	December 31, 2023	December 31, 2024
Number of options granted post consolidation	4,513,889	2,083,333
Exercise price (CAD$)	$0.05 to $0.06	$ 0.05
Risk free interest rate	3.13% to 3.96%	3.22%
Expected dividend yield	0.00%	0.00%
Expected volatility	152% to 153%	153%
Expected life of the options	3-5 years	5 years

Vesting Schedule	
Immediate	7,034,722
1 year	-

14. INCOME TAXES

a) Deferred tax

The following table summarizes the components of deferred tax for the years ending December 31, 2024, and 2023:

	2024	2023
Deferred tax assets		
Marketable securities	$ 21,954	$ 21,788
Resource properties	868,752	980,745
Capital losses	33,867	53,920
Non-capital losses available for future periods	3,923,957	3,549,699
Share issuance costs	40,931	59,146
Foreign income taxes	6,936	6,936
Deferred tax assets	4,896,397	4,672,234
Less: deferred tax assets not recognized	(4,896,397)	(4,672,234)
Net deferred tax assets	$ -	$ -

b) Income rate reconciliation

The reconciliation of the combined Canadian federal and provincial statutory income tax rates on the net loss for the years ended December 31, 2024, and 2023 is as follows:

	2024	2023
Loss before income taxes	$ (3,825,930)	$ (1,511,064)
Statutory rate	26.5%	26.5%
Expected income tax recovery at combined basic federal and provincial tax rates	(1,013,871)	(400,432)
Effect on income taxes of:		
Permanent differences	73,137	154,372
Temporary differences	623,744	55,500
Changes in tax benefits not recognized	316,990	190,560
Income tax expense	**$ -**	**$ -**

c) Other

The Company has deductible temporary differences with respect to its resource properties, whereby the amounts deductible for income tax purposes exceeds the amounts recorded for accounting purposes by $4,471,153 (2023 - $4,471,153). The Company has deductible temporary differences related to its marketable securities whereby the amounts deductible for income tax purposes exceeds the amounts recorded for accounting purposes by $165,687 (2023 - $164,437). The Company has the following Canadian tax loss carryforwards: (i) capital losses of $255,601 (2023 - $406,944) which can be applied against future Canadian capital gains, and (ii) non-capital loss carryforwards, which can be used to reduce future Canadian income taxes payable, expiring as follows:

Non-capital loss carryforwards	
2027	$ 158,207
2028	518,999
2029	536,837
2030	189,949
2031	516,522
2032	401,981
2033	390,969
2034	215,925
2035	256,770
2036	78,341
2037	371,052
2038	333,789
2039	304,020
2040	257,501
2041	304,654
2042	467,957
2043	508,844
2044	526,918
	$ 6,339,235

The Company's Australian subsidiary Currie Rose Vanadium Pty Ltd. has taxable temporary differences with respect to its resource properties whereby the amounts deductible for income tax purposes are less than the amounts recorded for accounting purposes by $1,264,417 (2023 - $816,442). There are also non-capital loss carryforwards, which can be used to reduce future Australian income taxes payable of $2,171,391 (2023 -$1,106,070).

The Company's Australian subsidiary WA Hydrogen Pty Ltd has non-capital loss carryforwards, which can be used to reduce future Australian income taxes payable of $389,343 (2022 - $134,725.

The Company's Tanzania subsidiary has non-capital loss carryforwards, which can be used to reduce future Tanzania income taxes payable of $5,971,076.

15. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel and directors' compensation:

During the year ended December 31, 2024, and 2023, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

		2024		2023
Management fees	$	384,619	$	203,974
Director fees	$	87,167	$	93,995
Consulting fees	$	264,151	$	158,737
	$	**735,936**	**$**	**456,706**

Accounts payable and accrued liabilities as at December 31, 2024, include $230,032 (2023 - $30,245) with respect to balances owing to related parties for the transactions disclosed above.

The Company agreed to settle the $230,000 outstanding debt to the previous CEO of the Company, Michael Griffith, to be paid over five months starting July 2023 for a total of $100,000. As a result, the Company recognized a gain on debt settlement of $130,000 as at December 31, 2023.

Management fees expensed during the year ended December 31, 2024, consist of $258,056 CEO salary, Company Secretarial service fees of $25,291, and CFO and Joint Company Secretarial service fees of $100,271.

Management fees expensed in the prior the year ended December 31, 2023, consist of $62,500 billed by an entity controlled by the previous CEO, Michael Griffith, for his services as CEO, $114,474 to Simon Coyle as CEO, and $30,000 billed by an entity related to a director.

16. COMMITMENTS

As at December 31, 2024, the Company is committed to contribute AUD$300,000 in-kind over the five years life of the grant in addition to following cash amounts. Refer to Note 5, the Kotai Energy acquisition with respect to this commitment.

2025: AUD$70,000
2026: AUD$70,000

Given the reclassification of the Kotai Hydrogen Project as assets held for sale, the commitment remains unaffected by this status.

Other than the commitments noted above the Company has no outstanding commitments.

17. SEGMENTED INFORMATION

The Company conducts its business in a single operating segment as its exploration resource property in Australia is not considered a cash generating unit as it is not cashflow independent.

18. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value of financial instruments

The carrying values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities, and security deposits approximate their fair values due to the short-term or demand nature of these balances.

(a) Fair value hierarchy

A fair value hierarchy establishes three levels to classify valuation techniques used to measure fair value. Level 1 includes quoted prices in active markets for identical assets or liabilities. Level 2 includes inputs that are observable other than quoted prices included in level one. Level 3 includes inputs that are not based on observable market data.

	2024	2023
Level 1		
Cash and cash equivalents	$ 577,761	$ 2,080,309
Marketable securities	6,250	7,500
Level 3		
Accounts receivable	31,043	47,079
Security deposit	24,295	26,979
Accounts payable	372,738	171,392

(b) Classification of financial instruments

		2024		2023	
Asset/Liabilities	Measurement	Cost	Fair value	Cost	Fair value
Cash and cash equivalents	Fair value	$ 577,761	$ 577,761	$ 2,080,309	$ 2,080,309
Accounts receivable	Amortized cost	31,043	31,043	47,079	47,079
Security deposit	Amortized cost	24,295	24,295	26,979	26,979
Marketable securities	Fair value	141,937	6,250	141,937	7,500
Accounts payable and accrued liabilities	Amortized cost	372,738	372,738	171,392	171,392

(c) Credit risk

The Company's credit risk is attributable to accounts receivable, which are comprised of refundable HST ITCs. The Company has no material concentration of credit risk arising from

operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(d) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period.

(e) Market risk

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.

(f) Foreign currency risk

As at December 31, 2024, the Company's holds foreign currency of AUD$580,010. The Company objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in Australian dollars. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not sufficient at this point in time.

19. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate funding to support acquisition obligations and exploration of mineral claims, and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the consolidated statements of shareholders' equity to be capital and it manages the capital structure and adjusts it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.

20. SUBSEQUENT EVENTS

Following the year ended December 31, 2024, a planned agreement to divest the Kotai Hydrogen Project was unsuccessful. Accordingly, management and the Board have resolved to retain the Kotai Hydrogen Project and continue its operations moving forward.

On January 8, 2025, the Company announced that the TSX Venture Exchange has approved the extension of 13,715,281 post-consolidation common share purchase warrants to expire on June 30, 2025. The Warrants were issued as part of the Company's private placement that closed on October 14, 2022. Post-consolidation, the Warrants are exercisable at a price of $0.144.

On March 17, 2025, the Company provides the following updates to the market:

i. ASX Dual Listing & Kotai Hydrogen Project

Velox submitted an In Principle Application for ASX dual listing in June 2024, however the ASX rejected the application in September 2024, citing that the Kotai Hydrogen project was too early-stage to be a listing asset. The Company is disappointed but remains committed to divesting the Kotai Hydrogen asset to enable future listing. Multiple divestment strategies are being explored to maximize shareholder value.

ii. QCMBTF Investment Update

Velox engaged closely with the QIC Critical Minerals and Battery Technology Fund (QCMBTF) during the listing and divestment process. Whilst QCMBTF has extended the long stop date to 31 March 2025, but agreed not to extend beyond this date due to divestment uncertainties. Despite terminating investment agreements, QCMBTF remains supportive of Velox and its North Queensland Vanadium project.

iii. Board & Management Changes

CEO & President Simon Coyle to step down on 31 March 2025 and resign as a director. Director Mark Connelly resigned from the board on 17 March 2025. Nicole Morcombe (current director) appointed as Interim CEO & President, without salary or fees. Michael Griffiths remains as a director, also without fees. Vincent Algar appointed as an independent director, effective 31 March 2025. The board will seek a second independent director to meet TSXV governance requirements.

iv. Strategic Focus & Future Plans

The Velox board continues to prioritize its resources to the North Queensland Vanadium project and will continue to seek commercial partners for the Kotai Hydrogen project so that it can pursue *its ASX dual listing*.

v. Shares for Debt Transaction

The Company also intends to issue 919,483 common shares of the Company (the "Settlement Shares") at a deemed price of $0.06 per share in full and final settlement of outstanding debts totaling C$55,169 (the "Debt") owing to Mark Connelly for director's fees (the "Debt Settlement"). The Company is proposing to issue the Settlement Shares in order to preserve cash to fund future operations. The Debt Settlement is subject to all necessary regulatory approvals, including acceptance from the TSXV. All securities issued in connection with the Debt Settlement will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.