Q1 2025
INTERIM FINANCIAL STATEMENTS

TENTH AVENUE PETROLEUM CORP.
TSXV:TPC

www.tenthavenuepetroleum.com

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Current			
Cash		$ 54,517	$ 41,474
Trade and other receivables	4	465,568	406,122
Prepaid expenses and deposits		228,189	243,435
		748,274	691,031
Long term			
Restricted cash held in trust		62,011	61,482
Property and equipment	7	6,434,314	6,613,130
		$ 7,244,599	**$ 7,365,643**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4	$ 1,418,867	$ 1,351,638
Promissory note	8	148,349	197,799
		1,567,216	1,549,437
Long term			
Decommissioning obligations	9	5,274,194	5,184,535
Total liabilities		6,841,410	6,733,972
SHAREHOLDERS' EQUITY			
Share capital	10	18,101,297	18,101,297
Contributed surplus		10,789,044	10,749,281
Deficit		(28,487,152)	(28,218,907)
		403,189	631,671
		$ 7,244,599	**$ 7,365,643**

Subsequent events (note 15)

Approved on behalf of the Board of Directors:

[signed] "Cameron MacDonald"
Cameron MacDonald, Director

[signed] "Ron Hozjan"
Ron Hozjan, Director

The accompanying notes are an integral part of these Financial Statements.

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED
(UNAUDITED)

	Note		Three months ended March 31, 2025		March 31, 2024
REVENUE					
Oil & natural gas sales	11	$	818,394	$	775,247
Royalties			(77,144)		(70,755)
Gas gathering, processing and other income			25,955		20,892
			767,205		725,384
Realized gain on derivatives	4		-		57,666
Unrealized loss on derivatives	4		-		(100,237)
			767,205		682,813
EXPENSES					
Production and transportation			541,846		585,943
General and administrative			170,043		151,068
Accretion	9		40,833		30,453
Stock based compensation	10		39,763		43,250
Impairment (recovery) of property and equipment	7		16,369		(54,054)
Depletion and depreciation	7		226,596		146,475
			1,035,450		903,135
NET LOSS AND COMPREHENSIVE LOSS		$	(268,245)	$	(220,322)
LOSS PER SHARE					
Basic	10	$	(0.01)	$	(0.04)
Diluted	10	$	(0.01)	$	(0.04)

The accompanying notes are an integral part of these Financial Statements.

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED
(UNAUDITED)

	Note		March 31, 2025	March 31, 2024
SHAREHOLDERS' EQUITY				
Share capital				
Balance, beginning of year		$	18,101,297	17,682,581
Balance, end of year		$	18,101,297	$ 17,682,581
Contributed surplus				
Balance, beginning of year		$	10,749,281	10,671,839
Stock based compensation	10		39,763	43,250
Balance, end of year		$	10,789,044	$ 10,715,089
Deficit				
Balance, beginning of year		$	(28,218,907)	(26,687,781)
Net loss			(268,245)	(220,322)
Balance, end of year		$	(28,487,152)	$(26,908,103)
TOTAL SHAREHOLDERS' EQUITY		**$**	403,189	$ 1,489,567

The accompanying notes are an integral part of these Financial Statements.

TENTH AVENUE PETROLEUM CORP.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED
(UNAUDITED)

	Note		Three months ended March 31, 2025		March 31, 2024
OPERATING ACTIVITIES					
Net loss		$	(268,245)	$	(220,322)
Items not affecting cash:					
Depletion and depreciation	7		226,596		146,475
Stock based compensation	10		39,763		43,250
Accretion	9		40,833		30,453
Unrealized loss on derivatives	4		-		100,237
Impairment (recovery) of property and equipment	7		16,369		(54,054)
Changes in restricted cash			(529)		(758)
Changes in non-cash working capital	12		23,029		(171,842)
CASH PROVIDED BY OPERATING ACTIVITIES			77,816		(126,561)
FINANCING ACTIVITIES					
Repayment of promissory note	8		(49,450)		-
CASH PROVIDED BY FINANCING ACTIVITIES			(49,450)		-
INVESTING ACTIVITIES					
Purchase of property and equipment	7		(15,323)		(11,803)
CASH USED IN INVESTING ACTIVITIES			(15,323)		(11,803)
NET CHANGE IN CASH AND CASH EQUIVALENTS			13,043		(138,364)
CASH AND CASH EQUIVALENTS, beginning of year			41,474		219,124
CASH AND CASH EQUIVALENTS, end of year		$	54,517	$	80,760
Interest paid		$	-	$	-
Taxes paid		$	-	$	-

Supplemental cash flow information (note 12)

The accompanying notes are an integral part of these Financial Statements.

1. GENERAL INFORMATION

Tenth Avenue Petroleum Corp. ("Tenth" or the "Company") was incorporated under the *Business Corporations Act* (Alberta). The Company is engaged in exploration, development and production of crude oil and natural gas properties in western Canada. Tenth's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "TPC". The Company's head office and registered address is located at 2003, 188 15th Avenue S.W., Calgary, Alberta T2R 1S4.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business.

As at March 31, 2025, the Company has a working capital deficit of $818,942 (December 31, 2024 - $858,406), incurred a loss of $268,245 (2024 - $220,322) and had cash provided by operations of $77,816 (2024 – used by operations of $126,561) for the year then ended. Management has applied significant judgement in preparing forecasts supporting the going concern assumption. Specifically, management has made assumptions regarding projected commodity sales volumes and pricing and the timing and extent of capital and operating expenditures. The Company will be required to raise equity or debt financing to fund the future development costs required to recover the carrying values of its property and equipment. Although the Company has been successful in completing financings in the past, there is no guarantee that the Company will be able to continue to do so in the future. As such, there is a material uncertainty related to these events and conditions that may cast doubt on the Company's ability to continue as a going concern.

If the going concern assumption made by management is not appropriate and the Company is unable to meet its obligations as they become due, the going concern basis may not be appropriate and adjustments to the carrying amounts of the Company's assets, liabilities, revenues and expenses may be necessary. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements as at March 31, 2025 (the "Financial Statements") are unaudited and have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024 (the "2024 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on May 29, 2025.

b) Basis of measurement

Unless otherwise indicated, all references to dollar amounts in these Financial Statements and related notes are in Canadian dollars ("CA$"), which is the functional and presentation currency of the Company. The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value through profit and loss, stock based compensation, and business acquisitions which are measured at fair value.

(in Canadian Dollars)

c) Significant estimates and judgements

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. These financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 2 of the 2024 Annual Financial Statements.

3. MATERIAL ACCOUNTING POLICIES

The significant accounting policies applied by the Company are described in note 3 of the 2024 Annual Financial Statements. The Financial Statements at March 31, 2025 have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the year ended December 31, 2024.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to financial risks arising from its financial assets and liabilities that include credit and liquidity risk, in addition to the market risks associated with commodity prices, and interest and foreign exchange rates. Net income (loss) and cash flows may fluctuate due to movement in market prices or as a result of the Company's exposure to credit and liquidity risks.

Risk Management Overview

Tenth Avenue's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

a) Credit Risk

The carrying amount of cash and trade and other receivables represent the Company's maximum credit exposure. Cash is held on deposit with Canadian chartered banks. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners.

The composition of the Company's trade and other receivables is set out in the following table:

As at	**March 31, 2025**	December 31, 2024
Oil and gas marketers	**$ 210,176**	$ 189,130
Joint venture partners	**45,396**	50,636
Other	**209,996**	162,058
GST	**-**	4,298
	$ 465,568	$ 406,122

(in Canadian Dollars)

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Management has reviewed past due accounts receivable balances as at March 31, 2025 and has recorded an allowance of $100,682 (2024 - $100,682) for expected credit losses.

b) Liquidity Risks

Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company's financial liabilities as at March 31, 2025 include accounts payable and accrued liabilities as well as a promissory note (note 8).

The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at March 31, 2025, the Company had a working capital deficit of $818,942. The Company actively monitors its liquidity position and forecasts future cash flows to ensure that it can meet its financial obligations as they come due.

In response to the current deficit, the Company has developed a plan that includes:

- Utilizing existing cash reserves and operational cash flows to fund ongoing obligations;
- Actively managing accounts payable and capital expenditures to align with projected cash inflows;
- Pursuing additional equity and debt financing as required to supplement working capital, including strategic capital raises similar to the non-brokered private placement completed in November 2024;
- Evaluating opportunities to divest non-core assets to enhance liquidity if necessary.

Management believes that these actions, along with anticipated improvements in operational performance and commodity prices, will provide the necessary liquidity to meet obligations over the next twelve months. Nevertheless, there is a material uncertainty that may cast doubt on the Company's ability to continue as a going concern (Note 1).

The following table outlines a contractual maturity analysis for the Company's financial liabilities as at March 31, 2025:

	1 year	2-3 years	4 to 5 years	>5 years	**Total**
Accounts payable and accrued liabilities	$ 1,418,867	$ -	$ -	$ -	**$ 1,418,867**
Promissory note	148,349	-	-	-	**148,349**
	$ 1,567,216	**$ -**	**$ -**	**$ -**	**$ 1,567,216**

c) Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company's cash flows, net income (loss), or the fair value of financial instruments. Tenth's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

(in Canadian Dollars)

The Company utilizes both physical delivery sales contracts and derivative financial instruments to manage market risks. All such transactions are conducted in accordance with the Company's risk management policies.

Commodity price risk

Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar.

As at March 31, 2025, the Company had no commodity price risk management contracts in place.

5. RESTRICTED CASH HELD IN TRUST

Restricted cash held in trust is comprised of $62,011 (2024 - $61,482) held by the Alberta Energy Regulator.

6. ACQUISITION

During the year ended December 31, 2024, the Company completed an acquisition of certain oil and gas properties (the "Patricia acquisition") for total consideration of $227,799 comprised of a promissory note of $197,799 and $30,000 in common shares. The Company incurred transaction costs of $9,574, which are included in general and administrative expenses in the statement of net loss and comprehensive loss.

The following table summarizes the aggregate consideration paid for the acquisition during the year ended December 31, 2024 and the estimated fair value of the net identifiable assets acquired on the acquisition date:

ACQUISITION SUMMARY		
Promissory note consideration (note 8)	$	197,799
Common share consideration (note 10)		30,000
Total consideration	$	227,799
Net Assets Acquired		
Property, plant and equipment (note 7)	$	1,553,250
Prepaid expenses		81,512
Decommissioning obligation [1] (note 9)		(1,407,464)
GST receivable		501
Fair value of net assets acquired	$	227,799

1. The aggregate fair value of decommissioning obligations acquired of $1,407,464 were estimated by discounting the inflated cost estimates using a "risk-free rate" of 3.33% on the closing date of the acquisition.

As the Patricia acquisition closed on December 31, 2024, the statement of net and comprehensive loss for the year ended December 31, 2024 does not include any results of operations for the acquired properties. As the necessary relevant and reliable information is not practically available, management cannot accurately quantify and disclose the revenue and profit (loss) for the combined results as though the acquisition date for the business combination had been as of the beginning of the 2024 annual reporting period nor would such information be indicative of the results of operations in the future. The information is not practically available due to financial reporting limitations of the acquiree.

(in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

The Company's property and equipment includes development and production assets ("D&P"). D&P assets include the Company's interests in developed crude oil and natural gas properties, as well as interests in facilities and pipelines. The following tables reconcile the movements in the cost and accumulated depletion, depreciation and impairment ("DD&I") during the years:

Cost		**Total**
Balance at December 31, 2023	$	8,819,615
Additions		691,151
Acquisitions		1,553,250
Change in decommissioning estimates (note 9)		154,619
Balance at December 31, 2024		**11,218,635**
Additions		**15,323**
Change in decommissioning estimates (note 9)		**48,826**
Balance at March 31, 2025	**$**	**11,282,784**

Accumulated DD&I		**Total**
Balance at December 31, 2023	$	3,801,513
Impairment		288,697
Depletion and depreciation		515,295
Balance at December 31, 2024		**4,605,505**
Impairment		**16,369**
Depletion and depreciation		**226,596**
Balance at March 31, 2025	**$**	**4,848,470**

Net carrying value		**Total PP&E**
Balance at December 31, 2024	$	6,613,130
Balance at March 31, 2025	**$**	**6,434,314**

At March 31, 2025, the Company assessed whether there were indicators of impairment or reversals of prior period impairments. It was determined that there were indicators for impairment for the Swan Hills CGU, which resulted in impairment charges of $16,369 (2024 - $54,054 recovery).

8. PROMISSORY NOTE

As part of the Patricia acquisition (note 6), the Company issued a non-interest bearing promissory note for $197,799 on December 31, 2024. The Company will repay the promissory note in twelve monthly installments of $16,483 to be completed on or before the maturity date of December 31, 2025. The principal amount will be adjusted based on the final statement of adjustments which will be issued by the lender within 120 days of the execution of the promissory note. The promissory note is secured by a security agreement which provides a security interest in the property and assets purchased in the acquisition.

(in Canadian Dollars)

9. DECOMMISSIONING OBLIGATIONS

Decommissioning liabilities arise as a result of the Company's net ownership interests in crude oil and natural gas assets including well sites, processing facilities and infrastructure. The following table provides a reconciliation of the carrying amount of the obligations associated with the retirement of oil and gas properties:

		March 31, 2025		December 31, 2024
Balance, beginning of period	**$**	**5,184,535**	$	3,509,969
Obligations acquired (note 6)		**-**		1,407,464
Changes in estimates (note 7)		**48,826**		154,619
Accretion		**40,833**		112,483
Balance, end of period	**$**	**5,274,194**	$	5,184,535

The underlying cost estimates are derived from a combination of published industry benchmarks as well as site specific information. As at March 31, 2025, based on an inflation rate of 2.0% (2024 – 2.0%) the total undiscounted amount of the estimated cash flows required to settle the obligation is $8,687,823 (2023 -$8,730,348). As at March 31, 2025, the carrying amount of the decommissioning obligations is based on a risk-free rate of 3.23% (2024 – 3.33%). The Company expects the majority of the expenditures to be incurred between 2026 and 2062.

10. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, each without par value. The preferred shares may be issued in series, with the directors determining the terms of the preferred shares on a series-by-series basis.

b) Issued and outstanding

The following table summarizes the change in common shares issued and outstanding:

	Number of common shares		Amount
Balance at December 31, 2023	**39,944,100**		17,682,581
Equity offerings:			
Non-brokered private placement	**4,170,000**		417,000
Issued on acquisition (note 6)	**500,000**		30,000
Issue costs	**-**		(28,284)
Balance at December 31, 2024 and March 31, 2025	**44,614,100**	$	18,101,297

On November 1, 2024, the Company closed a non-brokered private placement and issued to certain investors an aggregate of 4,170,000 units (each a "Unit") at a price of $0.10 per unit for aggregate gross proceeds of $417,000 (the "Private Placement").

Pursuant to the Private Placement, each Unit consisted of one common share ("Common Share") and one-half of one Common Share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one Common Share at a price of $0.15 for a period of 12 months from the date of issuance. The Warrants include an acceleration provision to the effect that if at any time the daily volume weighted average closing price of the Common Shares on the TSXV is $0.20 or more for a period of ten consecutive days, the Company will be entitled to notify all holders of Warrants of its intention to force the exercise of the Warrants and to issue a press release to such effect, following which the holders of Warrants shall have thirty days from the date of the press release to exercise the Warrants. All of the Common Shares and Warrants issued in connection with this financing are subject to a statutory four-month hold period in accordance with applicable securities laws. Net proceeds of the Private Placement were $388,716 after issue costs.

(in Canadian Dollars)

On December 31, 2024, the Patricia acquisition closed for total consideration of $227,799 which included a $197,799 promissory note and $30,000 in common shares, settled through the issuance of 500,000 common shares at a price of $0.06 per share.

c) Warrants

The following table summarizes the change in common share purchase warrants issued and outstanding:

	Number of warrants	Average exercised price ($/share)
Balance at December 31, 2023	**-**	-
Warrants issued	**2,085,000**	0.15
Balance at December 31, 2024 and March 31, 2025	**2,085,000**	0.15

d) Stock options

The Company has a stock option plan under which options to purchase common shares may be granted to officers, directors, employees and consultants. The Board of Directors has approved a policy of reserving up to 10% of the outstanding common shares for issuance to eligible participants of the stock option and share award plans. All stock options have a maximum term of five years and the vesting period for each grant is determined at the discretion of the Board of Directors. The following table summarizes the change in stock options outstanding:

	Number of options	Average exercised price ($/share)
Balance at December 31, 2023	**3,155,000**	0.20
Forfeited	**(97,500)**	(0.20)
Balance at December 31, 2024	**3,057,500**	0.20
Granted(1)	**1,345,000**	0.10
Balance at March 31, 2025	**4,402,500**	0.17
Exercisable at March 31, 2025	**3,095,007**	0.19

(1) One third of the stock options granted vest upon issuance, one third vest on the first anniversary of the grant date and the remaining third vest on the second anniversary of the grant date.

On January 20, 2025 the Company approved the granting of up to 1,345,000 stock options to certain directors, officers, and consultants of the Company. Each of the stock options is exercisable into one common share for a 3-year term expiring on January 20, 2028, at a price of $0.10 per common share.

(in Canadian Dollars)

The fair value of stock options granted during the period ended March 31, 2025 is estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions as follows:

	January 20, 2025
Share price	$0.08
Exercise price	$0.10
Risk free interest rate	2.91%
Expected volatility	122%
Expected dividend yield	0%
Expected life (years)	3
Weighted average fair value	$0.06

(1) Expected volatility is estimated by considering historic average share price volatility over the same number of years as the option granted.

The total stock based compensation calculated for the period ended March 31, 2025 was $39,763 (2024 - $43,250). The weighted average remaining contractual life of the Company's stock options is 2.06 years.

During the period ended March 31, 2025, the volume weighted average trading price of the Company's common shares on the TSXV was $0.09 (2024 - $ 0.13).

e) Per share amounts

Basic income per share has been calculated using the weighted average number of common shares outstanding during the period, whereas the calculation of diluted earnings per share has been calculated using the weighted average number of common shares after adjusting for all dilutive potential shares. For the period ending March 31, 2025 basic common shares were 44,614,100 (2024 – 39,944,100) and diluted basic common shares were 40,640,466 (2024 – 39,944,100). No options or warrants were dilutive as at March 31, 2025.

11. OIL AND GAS SALES

The following table summarizes the composition of Tenth's oil and gas sales revenue by product type:

For the years ended	**March 31, 2025**	March 31, 2024
Oil and gas sales		
Crude oil	**$ 697,634**	$ 736,439
Natural gas liquids	**7,698**	34,528
Natural gas	**113,062**	4,280
Total	**$ 818,394**	$ 775,247

(in Canadian Dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended		**March 31, 2025**		March 31, 2024
Trade and other receivables	**$**	**(59,446)**	$	(94,625)
Prepaid expenses and deposits		**15,246**		8,946
Accounts payable and accrued liabilities		**67,229**		(86,163)
Change in non-cash working capital		**23,029**		(171,842)
Net change related to operating activities		**23,029**		(171,842)
Net change related to investing activities		**-**		-
Total change in non-cash working capital	**$**	**23,029**	$	(171,842)
Non-cash transactions:				
Revisions to decommissioning obligations	**$**	**48,826**	$	(193,647)

13. CAPITAL MANAGEMENT

Tenth's capital management objectives are to maintain a flexible capital structure in order to respond to changes in economic conditions, execute on strategic opportunities throughout the business cycle, meet its financial obligations, and fund current and future settlements of decommissioning obligations. The Company seeks to create long-term shareholder value by prioritizing profitability over production growth, as well as investing in projects that are expected to strengthen its overall asset portfolio and suite of internally generated prospects. As at March 31, 2025, the Company's capital structure is comprised of working capital, long-term debt and shareholders' equity. The significant components of the Company's capital structure are summarized below:

As at		**March 31, 2025**		December 31, 2024
Adjusted working capital (1)(2)	**$**	**(818,942)**	$	(858,406)
Total shareholders' equity	**$**	**403,189**	$	631,671

1. "Adjusted working capital" is calculated as current assets less current liabilities. As at March 31, 2025 and December 31, 2024, Adjusted Working Capital includes cash, trade and other receivables, prepaid expenses and deposits, derivative financial instruments, accounts payable and accrued liabilities and promissory note.
2. Adjusted working capital is not a standardized measure under IFRS and; therefore, may not be comparable with the calculation of similar measures by other entities. Tenth uses adjusted working capital as capital management measures of the Company's financial position and liquidity.

The capital-intensive nature of Tenth's operations may create a working capital deficiency during periods with high levels of capital investment. During the period ended March 31, 2025, Tenth's exploration and development capital expenditures were $15,323 (December 31, 2024 - $691,151) as well as acquisitions of $nil (December 31, 2024 - $227,799).

As at March 31, 2025, Tenth had a net working capital deficit of $818,942 (December 31, 2024 - $858,406). The Company continues to operate with a disciplined approach to capital allocation, prioritizing projects with the highest expected return on capital.

Management believes that the Company's current capital structure, supplemented by flexibility in its operating and capital spending programs, provides a sufficient platform to manage near-term obligations. Management continues to explore opportunities to access equity or debt capital markets and is also evaluating strategic transactions to strengthen the statement of financial position.

As at March 31, 2025, the Company is not subject to any externally imposed capital requirements.

14. RELATED PARTY DISCLOSURES AND KEY MANAGEMENT COMPENSATION

During the three months ended March 31, 2025 the Company has incurred consulting fees of $55,000 (2024 - $55,000) to officers of the Company, of which $Nil (2024 - $Nil) was outstanding and included in accounts payable and accrued liabilities. During the same period, the Company also incurred $6,435 (2024 - $1,517) in legal fees to a firm where a Company director is a partner, of which $24,127 (December 31. 2024 - $19,980) was outstanding and included in accounts payable and accrued liabilities.

Key management compensation for the three months ended March 31, 2025 consists of $55,000 (2024 - $55,000) in consulting fees and $29,630 (2024 - $35,887) in stock based compensation.

15. SUBSEQUENT EVENTS

The imposition of tariffs on certain imported goods and commodities by the United States and the corresponding retaliatory measures by the Government of Canada has resulted in changes in political and market conditions, the extent of which cannot be reasonably determined as the effective dates, rates, scope and nature of the tariffs are continually evolving. Although the Company does not have any direct trade with customers or suppliers in the United States, the broader impact of the tariffs on the industry and economy in which the Company operates may have a financial effect on the Company’s future operations. The impact on the Company remains uncertain and cannot be estimated; however, management continues to monitor the evolving situation.