



## Condensed Interim Financial Statements

For the Three Months Ended January 31, 2025

(Unaudited - Expressed in Canadian Dollars)

*The accompanying unaudited condensed interim financial statements of Commerce Resources Corp. for the three months ended January 31, 2025, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.*

## Commerce Resources Corp.

### Condensed Interim Statements of Financial Position

As expressed in Canadian dollars

(Unaudited – prepared by management)

	January 31, 2025	October 31, 2024
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 506,286	\$ 2,486,685
Marketable securities	3,369	3,369
Short-term investment (Note 5)	23,000	23,000
Taxes and other receivables	459,181	521,692
Investment in associate (Note 10)	233,652	299,951
Due from equity investee (Note 10)	-	1,880
Prepaid expenses	536,784	644,991
<b>Total current assets</b>	<b>1,762,272</b>	<b>3,981,568</b>
<b>Non-current</b>		
Exploration and evaluation assets (Note 6 and Schedule I)	51,732,117	50,600,034
Reclamation bonds	80,000	80,000
Right-of-use asset (Note 14)	70,831	79,004
<b>Total Assets</b>	<b>\$ 53,645,220</b>	<b>\$ 54,740,606</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,340,628	\$ 1,260,758
Due to related parties (Note 11)	49,905	224,394
Taxes payable	54,815	9,173
Liability for flow-through shares (Note 15)	-	53,369
Lease liabilities (Note 14)	35,602	34,555
<b>Total current liabilities</b>	<b>1,480,950</b>	<b>1,582,249</b>
<b>Non-current</b>		
Lease liabilities (Note 14)	47,281	56,584
<b>Total Liabilities</b>	<b>1,528,231</b>	<b>1,638,833</b>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	108,424,842	108,424,842
Reserves (Notes 7 and 8)	11,257,510	11,257,510
Deficit	(67,565,363)	(66,580,579)
<b>Total Shareholders' Equity</b>	<b>52,116,989</b>	<b>53,101,773</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 53,645,220</b>	<b>\$ 54,740,606</b>

**Commitments - Note 9**

**Subsequent event - Note 16**

Approved and authorized by the Board of Directors on March 21, 2025:

"Jeremy Robinson"  
Director

"Ian Graham"  
Director

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

## Commerce Resources Corp.

### Condensed Interim Statements of Operations and Comprehensive Loss

For the three months ended January 31, 2025 and 2024

As expressed in Canadian dollars

(Unaudited – prepared by management)

	2025	2024
<b>Expenses</b>		
Administration fees and rent (Notes 9 & 11)	\$ 45,000	\$ 42,500
Advertising and website	76,331	47,983
Consulting fees (Note 11)	739,353	90,227
Director fees (Note 11)	15,000	28,750
Filing and transfer agent fees	10,579	11,310
Insurance	3,252	3,251
Lease interest (Note 14)	2,544	3,473
Office, telephone and miscellaneous	13,906	4,046
Professional fees	30,124	50,391
ROU asset depreciation (Note 14)	8,173	8,173
Travel	35,097	10,601
<b>Loss before other items</b>	<b>(979,359)</b>	<b>(300,705)</b>
<b>Other items:</b>		
Interest income	10,025	28,273
Flow-through premium recovery (Note 15)	53,369	-
Equity loss of affiliate (Note 10)	(66,299)	-
Foreign exchange losses	(2,520)	(1,213)
Unrealized loss on marketable securities	-	(562)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (984,784)</b>	<b>\$ (274,207)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>212,021,555</b>	<b>168,021,555</b>

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

## Commerce Resources Corp.

Condensed Interim Statements of Changes in Equity  
For the three months ended January 31, 2025 and 2024  
As expressed in Canadian dollars  
(Unaudited – prepared by management)

	Note	Number of Shares	Share Capital	Share subscriptions received	Reserves	Deficit	Total
<b>Balance, October 31, 2023</b>		<b>168,021,555</b>	<b>\$ 103,574,799</b>	<b>\$ -</b>	<b>\$ 11,022,110</b>	<b>\$ (37,880,206)</b>	<b>\$ 76,716,703</b>
Share issuance costs	7	-	(594)	-	-	-	(594)
Net loss for the period		-	-	-	-	(274,207)	(274,207)
<b>Balance, January 31, 2024</b>		<b>168,021,555</b>	<b>\$ 103,574,205</b>	<b>\$ -</b>	<b>\$ 11,022,110</b>	<b>\$ (38,154,413)</b>	<b>\$ 76,441,902</b>
	Note	Number of Shares	Share Capital	Share subscriptions received	Reserves	Deficit	Total
<b>Balance, October 31, 2024</b>		<b>212,021,555</b>	<b>\$ 108,424,842</b>	<b>\$ -</b>	<b>\$ 11,257,510</b>	<b>\$ (66,580,579)</b>	<b>\$ 53,101,773</b>
Net loss for the period		-	-	-	-	(984,784)	(984,784)
<b>Balance, January 31, 2025</b>		<b>212,021,555</b>	<b>\$ 108,424,842</b>	<b>\$ -</b>	<b>\$ 11,257,510</b>	<b>\$ (67,565,363)</b>	<b>\$ 52,116,989</b>

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

## Commerce Resources Corp.

### Condensed Interim Statements of Cash Flows

For the three months ended January 31, 2025 and 2024

As expressed in Canadian dollars

(Unaudited – prepared by management)

	2025	2024
<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Net loss for the period	\$ (984,784)	\$ (274,207)
Add (deduct) items not affecting cash:		
ROU asset depreciation	8,173	8,174
Lease interest	2,544	3,473
Flow-through premium recovery	(53,369)	-
Equity loss of affiliate	66,299	-
Unrealized loss (gain) on marketable securities	-	562
	(961,137)	(261,998)
Changes in non-cash working capital items related to operations:		
Taxes and other receivables	108,153	(28,259)
Prepaid expenses	108,207	55,914
Due from equity investee	1,880	-
Due to related parties	(35,345)	3,875
Accounts payable and accrued liabilities	71,946	22,869
<b>Net cash used in operating activities</b>	<b>(706,296)</b>	<b>(207,599)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of lease liabilities	(10,800)	(10,800)
Issue of share capital, net of share issuance costs	-	(594)
<b>Net cash flows from financing activities</b>	<b>(10,800)</b>	<b>(11,394)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Exploration and evaluation costs, net of tax credits received	(1,263,303)	(461,717)
<b>Net cash used in investing activities</b>	<b>(1,263,303)</b>	<b>(461,717)</b>
<b>Increase (decrease) in cash</b>	<b>(1,980,399)</b>	<b>(680,710)</b>
<b>Cash, beginning of period</b>	<b>2,486,685</b>	<b>3,954,990</b>
<b>Cash, end of period</b>	<b>\$ 506,286</b>	<b>\$ 3,274,280</b>

#### Supplemental disclosure with respect to cash flows – Note 13

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

# Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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## 1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Commerce Resources Corp. (“Commerce” or the “Company”) was incorporated on May 19, 1999, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is in the exploration stage and has interests in properties located in British Columbia (“BC”) and Quebec, Canada. Commerce is a public company listed on Tier 1 of the TSX Venture Exchange in Canada (“CCE”), the Frankfurt Stock Exchange in Germany (“D7H”), and the OTCQB (“CMRZF”). The head office, principal address, registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on March 21, 2025.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has working capital of \$281,322 at January 31, 2025 (October 31, 2024 - \$2,399,319), has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern and, accordingly, the appropriateness of the use of generally accepted accounting principles applicable to a going concern. In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs. There is no assurance that these initiatives will be successful.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans; however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These condensed interim financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and condensed interim statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were to be found not appropriate for these condensed interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the condensed interim statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

## 2. BASIS OF PRESENTATION

### Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

## **Commerce Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

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### **2. BASIS OF PRESENTATION - continued**

#### Basis of Measurement and Consolidation

The condensed interim financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

On July 12, 2023, the Company incorporated Capacitor Metals Corp., a British Columbia company and a wholly-owned subsidiary of the Company. On February 15, 2024, the Company entered into a share purchase agreement with an arm's length party (the "Purchaser") pursuant to which, the Purchaser agreed to acquire all of the issued and outstanding common shares in the capital of Capacitor Metals Corp. in consideration for the aggregate purchase price of \$10.00. See Note 6.

### **3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

#### Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the condensed interim financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The fair value of share-based compensation is determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options; and
- The incremental rate of borrowing used in the measurement of the lease liability was based on the interest rate of other junior mining companies' borrowing.

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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### 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS - continued

#### Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's condensed interim financial statements are as follows:

- *Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs*  
Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.
- *Production stage of a mine*  
The determination of the date on which a mine enters the production stage is a significant judgment since capitalization of certain costs ceases upon entering production.
- *Provisions for reclamation*  
Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.
- *Going concern*  
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.
- *Investment in Capacitor Metals Corp.*  
The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. As at January 31, 2025 and October 31, 2024, management has determined that the Company did have significant influence over Capacitor Metals Corp. Accordingly, the investment in Capacitor Metals Corp. was accounted for as an investment in associate (Note 10).

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended October 31, 2024. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2024.

### 5. SHORT-TERM INVESTMENTS

At January 31, 2025, the Company had a guaranteed investment certificate ("GIC's") valued at \$23,000 (October 31, 2024: \$23,000) with an interest rate of prime less 2.95% (2023: prime less 2.7%) and a maturity date of November 6, 2025 (2023: November 7, 2024).



## **Commerce Resources Corp.**

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

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### **6. EXPLORATION AND EVALUATION ASSETS**

The following is a description of the Company's most significant property interests and related spending commitments (see Schedule I for a detailed breakdown):

#### Eldor Claims

The Company acquired, by staking and a purchase agreement, a 100% interest in the Eldor Carbonatite Complex, located in the Labrador Trough area of Quebec, Canada. During the year ended October 31, 2007, the Company purchased 8 mineral claims from Virginia Mines Inc. ("Virginia Mines"), which cover a portion of the Eldor Carbonatite. These claims are adjacent to the approximately 88 claims staked by the Company. The Company currently has 244 claims covering 11,475 hectares. Virginia Mines retains a 1% net smelter royalty ("NSR") on the 8 claims purchased from them. Additionally, 5 of the 8 claims are subject to an underlying 5% net profit royalty, which can be purchased for \$500,000.

On January 11, 2018, the Company entered into an exploration earn-in agreement with Saville Resources Inc. ("Saville") on the Eldor Niobium claims, known as the Niobium Claim Group Property. Under the exploration earn-in agreement, Saville agreed to perform \$5,000,000 of work on the claims over a five-year period to earn a 75% interest in the claims. The Company received a cash payment of \$25,000 upon signing and a cash payment of \$225,000 following Exchange approval on October 11, 2018. On February 14, 2023, the Company announced the extension of the earn-in agreement with Saville for an additional one year. During the year ended October 31, 2023, the Company and Saville jointly agreed to terminate the agreement and in consideration for the work completed, the Company forgave the outstanding debt of \$369,290 owing from Saville recorded in other receivables.

#### Blue River Claims – (formerly known as the Upper Fir, Verity and Fir Claims)

The Company had a 100% interest in its Blue River claims, located in the Blue River region of the Kamloops Mining District of B.C., Canada, all of which were acquired by staking.

On June 14, 2024, the Company completed a property sale agreement with Capacitor Metals Corp., an arm's length private company, to sell its interest in the Blue River property (the "Blue River Claims") located near Blue River, British Columbia. As part of the transaction, the sale also includes certain real property owned by the Company also located in Blue River, B.C. (the "Blue River Land", and together with the Blue River Claims, the "Blue River Assets"). As consideration for the Blue River Assets, the Company received 20,000,000 common shares in the capital of the Purchaser (the "Blue River Shares") fair valued at \$0.02 per share. As a result, the Company recognized a loss on sale of \$28,520,135. See Note 10.

### **7. SHARE CAPITAL**

- a) Authorized: Unlimited common shares with no par value.
- b) Issued and outstanding: The total issued and outstanding shares of the Company total 212,021,555 as at January 31, 2025 (October 31, 2024: 212,021,555).

#### **Shares issued during the three months ended January 31, 2025:**

None

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 7. SHARE CAPITAL - continued

#### Shares issued during the year ended October 31, 2024:

On June 21, 2024, the Company closed a non-brokered private placement of 28,000,000 flow-through units (each, a “FT Unit”) at a price of \$0.18 per FT Unit for aggregate gross proceeds of \$5,040,000. Each FT Unit consists of one common share in the capital of the Company (each, a “FT Share”) and one transferable common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to acquire one additional non-flow through common share (each, a “Warrant Share”) at a price of \$0.25 per Warrant Share for a period of 24 months from the closing date. The FT Units were issued pursuant to an arrangement structured by Peartree Securities Inc. Pursuant to an engagement agreement (the “Term Sheet”) between the Company and Churchill SIG Pty Ltd. (“Churchill”), the Company paid cash finder’s fees to Churchill in the amount of \$162,890 (the “Cash Fee”) and issued 3,231,945 finder’s warrants (each, a “Finder’s Warrant”) to Churchill as consideration for their services in introducing certain investors who acquired securities in connection with the distribution. Each Finder’s Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a “Finder’s Warrant Share”) at a price of \$0.20 per Finder’s Warrant Share for a period of two (2) years from the date of issuance of the Finder’s Warrants. See Note 11.

On August 12, 2024, the Company closed a non-brokered private placement offering of 16,000,000 units (each, a “Unit”) at a price of \$0.126 per Unit for gross proceeds of up to \$2,016,000 (the “Offering”). Each Unit consists of one common share of the Company (each, a “Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder to purchase one Share at a price of \$0.25 per Share for a period of two (2) years from closing of the Offering (the “Closing”). Pursuant to an engagement agreement (the “Term Sheet”) between the Company and Churchill, the Company paid cash finder’s fees to Churchill in the amount of \$70,235 (the “Cash Fee”) and issued 1,393,551 finder’s warrants (each, a “Finder’s Warrant”) to Churchill as consideration for their services in introducing certain non-Canadian resident investors to the Company who acquired securities in connection with the distribution. Each Finder’s Warrant entitles Churchill to acquire one additional common share in the capital of the Company (a “Finder’s Warrant Share”) at a price of \$0.20 per Finder’s Warrant Share for a period of two (2) years from the date of issuance of the Finder’s Warrants. The Units, Shares, Warrants, Warrant Shares, Finder’s Warrants and Finder’s Warrant Shares are subject to a statutory hold period expiring four months and one day after closing of the Offering. See Note 11.

#### c) Share purchase warrants:

The following is a summary of share purchase warrant transactions for the three months ended January 31, 2025 and the year ended October 31, 2024:

	January 31, 2025		October 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	151,184,123	\$ 0.20	116,858,276	\$ 0.20
Expired	-	-	(9,674,153)	0.42
Issued	-	-	44,000,000	0.25
Balance, end of period	151,184,123	\$ 0.20	151,184,123	\$ 0.20

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 7. SHARE CAPITAL - continued

#### c) Share purchase warrants:

The following share purchase warrants were outstanding and exercisable as at January 31, 2025 and October 31, 2024:

Expiry Date	Weighted	Original	Revised	January 31,	October 31,
	Average			2025	2024
Contractual	Remaining	Exercise Price	Exercise Price	Number	Number
Life (Years)	Contractual			of Warrants	of Warrants
May 5, 2025	0.26	\$0.15	\$0.15	2,241,982	2,241,982
June 25, 2025	0.40	\$0.24	\$0.24	5,167,318	5,167,318
December 18, 2025	0.88	\$0.29	\$0.29	15,571,241	15,571,241
December 19, 2025	0.88	\$0.25	\$0.25	8,192,175	8,192,175
May 20, 2026	1.30	\$0.44	\$0.44	7,836,657	7,836,657
October 30, 2026	1.75	\$0.12	\$0.12	68,174,750	68,174,750
June 21, 2026	1.39	\$0.25	\$0.25	28,000,000	28,000,000
August 12, 2026	1.53	\$0.25	\$0.25	16,000,000	16,000,000
Total outstanding and exercisable	1.43		\$0.20	151,184,123	151,184,123

#### d) Finders' warrants:

The following is a summary of finders' warrant transactions for the three months ended January 31, 2025 and the year ended October 31, 2024:

	January 31, 2025		October 31, 2024	
	Number of Finders' Warrants	Weighted Average Exercise Price	Number of Finders' Warrants	Weighted Average Exercise Price
Balance, beginning of period	10,172,247	\$ 0.15	5,546,751	\$ 0.11
Issued	-	-	4,625,496	0.20
Balance, end of period	10,172,247	\$ 0.15	10,172,247	\$ 0.15

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 7. SHARE CAPITAL - continued

d) Finders' warrants:

The following Finders' warrants were outstanding and exercisable as at January 31, 2025 and October 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life (Years)	Exercise Price	January 31, 2025 Number of Warrants	October 31, 2024 Number of Warrants
May 5, 2025	0.26	\$0.15	2,871	2,871
June 25, 2025	0.40	\$0.24	21,700	21,700
October 30, 2025	0.75	\$0.08	4,950,000	4,950,000
December 18, 2025	0.88	\$0.29	187,250	187,250
December 19, 2025	0.88	\$0.25	16,800	16,800
May 20, 2026	1.30	\$0.44	255,920	255,920
October 30, 2026	1.75	\$0.12	112,210	112,210
June 21, 2026	1.39	\$0.20	3,231,945	3,231,945
August 12, 2026	1.53	\$0.20	1,393,551	1,393,551
Total outstanding and exercisable	1.08	\$0.15	10,172,247	10,172,247

### 8. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However, for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

The following is a summary of option transactions under the Company's stock option plan for the three months ended January 31, 2025 and the year ended October 31, 2024:

	January 31, 2025		October 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	2,900,000	\$ 0.185	7,830,000	\$ 0.22
Cancelled	-	-	(1,550,000)	0.19
Expired	-	-	(3,380,000)	0.28
Balance, end of period	2,900,000	\$ 0.185	2,900,000	\$ 0.185

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 8. SHARE-BASED PAYMENTS - continued

The following stock options were outstanding and exercisable as at January 31, 2025:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
February 21, 2025	\$0.185	2,900,000	0.06
Total outstanding and exercisable		2,900,000	0.06

On January 6, 2025, the Company granted 9,000,000 performance share units (the “PSU’s”) to Ross Carroll, Chief Executive Officer and a director of the Company in accordance with its Equity Incentive Plan. The PSU’s will commence vesting one year after the date of grant upon successful completion of specific performance criteria. Each vested PSU represents the right to receive one common share in the capital of the Company.

On December 23, 2023, 2,075,000 options priced \$0.23 and on August 27, 2024, 1,305,000 options priced at \$0.35 each expired unexercised.

During the year ended October 31, 2024, 1,550,000 stock options previously granted to former consultants of the Company were cancelled.

See Note 16.

### 9. COMMITMENTS

On May 1, 2008, the Company entered into a Management & Administration Agreement (“Agreement”) with Zimtu Capital Corp. (“Zimtu”). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. The agreement was subsequently renewed in prior years and again on December 1, 2022 for a period of twelve months. The Company renewed the agreement on each of December 1, 2023 and 2024 for a further period of 12 months with a rate of \$15,000 per month.

On June 20, 2023, the Company signed an agreement with Zimtu Capital Corp. for services under the ZimtuADVANTAGE program. Under the terms of the agreement, the Company paid Zimtu \$12,500 per month for a period of twelve months, expiring May 31, 2024. On June 1, 2024, the Company extended the agreement for an additional twelve months with the same terms.

### 10. INVESTMENT IN ASSOCIATE

	Total \$
<b>Balance, October 31, 2023</b>	-
Shares acquired in Blue River transaction	400,000
Loss from equity investee (June 14, 2024 – October 31, 2024)	(100,049)
<b>Balance, October 31, 2024</b>	199,951
Loss from equity investee (November 1, 2024 – January 31, 2025)	(66,299)
<b>Balance, January 31, 2025</b>	<b>233,652</b>

\*Share of loss for the period June 14, 2024 to January 31, 2025 attributable to the Company.

On June 14, 2024, the Company received 20,000,000 shares of Capacitor Metals Corp. (“Capacitor”), a private exploration company with a fair value of \$400,000. See Note 6.

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 10. INVESTMENT IN ASSOCIATE (continued)

During the three months ended January 31, 2025, the investment in associate decreased by \$66,299 (January 31, 2024: \$nil) from the equity loss of Capacitor. As at January 31, 2025, the Company holds 20,000,000 shares of Capacitor, equal to 42.47% (October 31, 2024: 42.47%) of Capacitor's outstanding common shares.

The financial information of Capacitor as of and for the three months ended January 31, 2025 and the year ended October 31, 2024:

	January 31, 2025	October 31, 2024
	\$	\$
Current assets	166,628	194,488
Non-current assets	414,522	405,722
Current liabilities	300,219	165,894
Shareholders' equity	280,931	434,316
Expenses	(156,102)	(235,566)
Net loss	156,102	235,566

### 11. RELATED PARTY TRANSACTIONS

During the three months ended January 31, 2025 and 2024, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

	Three months ended January 31,	
	2025	2024
	\$	\$
<b>Key management compensation*</b>		
Geological services	70,520	43,814
Administrative fees	-	37,500
Consulting fees and salaries	115,571	43,500
Director fees	32,500	28,750
Advertising and promotion	-	37,500
Total	218,591	191,064

  

	January 31, 2025	October 31, 2024
	\$	\$
<b>Amounts due to (from) related parties</b>		
Dahrouge Geological Consulting (a)	44,905	184,049
Ian Graham (b)	-	4,471
Jeremy Robinson (c)	2,500	33,374
Adam Ritchie (d)	2,500	2,500
Due to related parties – Net total	49,905	224,394

- Dahrouge Geological Consulting ("Dahrouge") provides geological services to the Company. Dahrouge is controlled by former director of the Company, Jody Dahrouge, who resigned December 23, 2024. Dahrouge is no longer considered a related party
- Ian Graham is a director of the Company and acts as Chairman of the Board
- Churchill SIG Pty Ltd. Provides advisory services to the Company and has a common director, Jeremy Robinson.
- Adam Ritchie is a director of the Company

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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### 11. RELATED PARTY TRANSACTIONS - continued

\* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

### 12. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these condensed interim financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

#### a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are subject to credit risk for a maximum of the amounts shown on the statements of financial position. The Company monitors its credit risk management practices continuously to evaluate their effectiveness.

At January 31, 2025, the Company held cash of \$506,286 (October 31, 2024: \$2,486,685) and short-term, investments of \$23,000 (October 31, 2024: \$23,000) with Canadian chartered banks.

The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

#### b) Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at January 31, 2025, the Company has total current liabilities of \$1,480,950 (October 31, 2024: \$1,582,249). Management intends to meet these obligations by raising funds through future financings.

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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### 12. FINANCIAL INSTRUMENTS - continued

#### c) Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company's marketable securities and investment in asset-backed commercial paper are subject to market risk.

##### i) Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

##### ii) Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Company has not yet developed commercial mineral interests, it is not directly exposed to commodity price risk at this time.

The Company has made technical studies (Preliminary Economic Assessments) conducted by independent third parties on two of its mineral properties. Those studies include future commodity price assumptions which were considered reasonable by the study authors. These assumptions contribute to the preliminary assessment of potential viability of the projects, and to the valuation of each asset on the basis of those project and price assumptions. Insofar as the Company and its management relies on those studies for its future ability to raise capital, significant longer term changes in the price of the minerals comprising the project deposits may have an influence on the Company.

##### iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company invests part of the cash balance in a variable rate GIC. The exposure to interest rate risk, however, is limited due to the short-term nature of the GIC.

#### d) Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.



## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 12. FINANCIAL INSTRUMENTS - continued

The following is an analysis of the Company's financial assets measured at fair value as at January 31, 2025 and October 31, 2024:

	As at January 31, 2025		
	Level 1	Level 3	Level 3
Short-term investments	\$ 23,000	\$ -	\$ -
Marketable securities	3,369	-	-
	\$ 26,369	\$ -	\$ -

  

	As at October 31, 2024		
	Level 1	Level 2	Level 3
Short-term investments	\$ 23,000	\$ -	\$ -
Marketable securities	3,369	-	-
	\$ 26,369	\$ -	\$ -

#### e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at January 31, 2025, the Company's shareholders' equity was \$52,116,989 (October 31, 2024: \$53,101,773). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties. The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management during the period.

### 13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The following transactions have been excluded from the statement of cash flows:

#### During the three months ended January 31, 2025:

- Exploration and evaluation assets of \$1,117,386 were included in accounts payable and \$44,905 were included in due to related parties.

#### During the three months ended January 31, 2024:

- Exploration and evaluation assets of \$29,356 were included in accounts payable and \$38,409 were included in due to related parties.
- Amortization of \$3,613 to equipment was included in exploration and evaluation assets.

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### 14. LEASE LIABILITIES

On April 1, 2022, the Company entered a five-year premises lease for storage space. The incremental borrowing rate was estimated by management to be 12% per annum.

a) Right of use asset

As at January 31, 2025 and October 31, 2024, the right-of-use asset recorded for the Company's storage premises is as follows:

<b>Balance, October 31, 2023</b>	<b>\$</b>	<b>111,696</b>
Depreciation		(32,692)
<b>Balance, October 31, 2024</b>	<b>\$</b>	<b>79,004</b>
Depreciation		(8,173)
<b>Balance, January 31, 2025</b>	<b>\$</b>	<b>70,831</b>

b) Lease liability

The net change in the lease liability is as follows:

<b>Balance, October 31, 2023</b>	<b>\$</b>	<b>121,805</b>
Principal payments		(30,666)
<b>Balance, October 31, 2024</b>	<b>\$</b>	<b>91,139</b>
Principal payments		(8,256)
<b>Balance, January 31, 2025</b>	<b>\$</b>	<b>82,883</b>

During the three months ended January 31, 2025, interest of \$2,544 (January 31, 2024 - \$3,473) is included in lease interest expense.

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	<b>January 31, 2025</b>	
Undiscounted minimum lease payments		
Less than one year	\$	32,400
Two to five years		61,200
		<u>93,600</u>
Effect of discounting		(10,717)
Present value of minimum lease payments		82,883
Less current portion		(35,602)
Long-term portion	\$	<u>47,281</u>

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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### 15. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On June 21, 2024, the Company issued 28,000,000 common shares on a “flow-through” basis at a price of \$0.18 per Share for gross proceeds of \$5,040,000. The flow-through proceeds are to be renounced on December 31, 2024. At January 31, 2025, the Company had incurred the \$5,040,000 in qualified expenditures.

	<b>Issued on June 21, 2024</b>
<b>Balance, October 31, 2023</b>	\$ -
Liability incurred on flow-through shares issued	1,680,000
Settlement of flow-through share liability on incurred expenses	(1,626,631)
<b>Balance, October 31, 2024</b>	\$ 53,369
Settlement of flow-through share liability on incurred expenses	(53,369)
<b>Balance, January 31, 2025</b>	\$ -

### 16. SUBSEQUENT EVENT

On February 21, 2025, 2,900,000 stock options priced at \$0.185 expired unexercised.

On March 18, 2025, the Company granted an aggregate of 2,500,000 incentive stock options to purchase up to 2,500,000 common shares of the Company to certain officers and consultants under its Equity Incentive Plan. The Options are exercisable for a period of three years from the date of Grant, expiring on March 18, 2028, at a price of \$0.12 per Share. The options all vest immediately.

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### Schedule of Resource Properties (2025)

### Schedule I

	Eldor Claims
<b>For the three months ended January 31, 2025</b>	
<b>Acquisition costs</b>	
Balance, beginning of period	\$ 1,403,382
Staking and renewals	-
Balance, end of the period	1,403,382
<b>Deferred exploration and development costs</b>	
Balance, beginning of period	49,196,652
Assays and analytical	69,407
Camp, food and accommodation	2,476
Field equipment rental and supplies	9,345
Geology, mapping and drafting	143,843
Insurance	6,883
Lobbying and consulting	16,601
Metallurgy	878,258
Other	918
Travel and transport	4,352
	1,132,083
Balance, end of period	50,328,735
Total balance, end of period	\$ 51,732,117

## Commerce Resources Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended January 31, 2025

Expressed in Canadian Dollars

(Unaudited – prepared by management)

### Schedule of Resource Properties (2024)

### Schedule I

<b>For the year ended October 31, 2024</b>	<b>Blue River Claims</b>	<b>Eldor Claims</b>	<b>Totals</b>
<b>Acquisition costs</b>			
Balance, beginning of year	\$ 201,602	\$ 1,403,382	\$ 1,604,984
Staking and renewals	-	-	-
Balance, end of the year	201,602	1,403,382	1,604,984
<b>Deferred exploration and development costs</b>			
Balance, beginning of year	28,368,158	42,402,697	70,770,855
Amortization – field equipment and office	4,549	-	4,549
Assays and analytical	-	234,643	234,643
Camp, food and accommodation	8,164	227,032	235,196
Drilling	-	1,111,888	1,111,888
Environmental and permitting	-	8,425	8,425
Field equipment rental and supplies	1,874	1,400,507	1,402,381
Fuel	-	49,018	49,018
Geology, mapping and drafting	224	1,100,395	1,100,619
Insurance	6,152	15,382	21,534
Lobbying and consulting	-	29,378	29,378
Metallurgy	-	1,181,213	1,181,213
Other	37,250	10,276	47,526
Project management	-	35,193	35,193
Travel and transport	-	1,390,605	1,390,605
	58,213	6,793,955	6,852,168
Balance, end of year	28,426,371	49,196,652	77,623,023
Sale and write-off of Blue River	(28,627,973)	-	(28,627,973)
Total balance, end of year	\$ -	\$ 50,600,034	\$ 50,600,034