



Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Cascadia Minerals Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Cascadia Minerals Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 in our audit is sufficient and appropriate to provide a basis for our opinion. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 on the financial statements, which indicates that the Company has a history of losses with no operating revenue and that the Company will continue to need to generate additional financial resources to meet its planned business objectives. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

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 current year. 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 Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our audit report.

Assessment of Impairment Indicators of Mineral Property Interests

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's mineral property interests was \$427,160 as of December 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses mineral property interests for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the mineral property interests is a key audit matter are that there was judgment by management when assessing whether there were indicators of impairment for the mineral property interests, specifically related to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the mineral property interests.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the mineral property interests through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements including reviewing earn-in agreements.
- Assessing the Company's right to explore the mineral property interests.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the mineral property interests are in good standing.
- Obtaining confirmations from optionees and/or optionors to ensure good standing of agreements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 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:

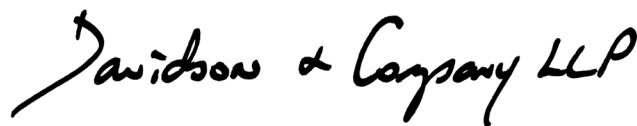
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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 year 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 Stephen Hawkshaw.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 4, 2025

CASCADIA MINERALS LTD.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

AS AT

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 2,216,457	\$ 991,808
Receivables and prepayments (Notes 5 and 9)	343,496	366,615
Marketable securities (Note 6)	57,000	87,000
	2,616,953	1,445,423
Non-current assets:		
Equipment (Note 7)	558	5,022
Mineral property interests (Note 8)	427,160	770,608
Reclamation deposit (Note 9)	-	31,000
	427,718	806,630
Total assets	\$ 3,044,671	\$ 2,252,053
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 74,370	\$ 97,992
Accounts payable to related parties (Note 14)	49,095	47,519
Flow-through premium liability (Note 10)	125,000	28,542
Asset retirement obligation (Note 8)	63,711	60,953
Total liabilities	312,176	235,006
Shareholders' equity:		
Share capital (Note 12)	13,454,255	7,687,577
Reserves (Note 13)	(2,187,979)	(2,548,229)
Deficit	(8,533,781)	(3,122,301)
Total shareholders' equity	2,732,495	2,017,047
Total liabilities and shareholders' equity	\$ 3,044,671	\$ 2,252,053

Nature of operations and arrangement agreement (Note 1)

Approved on behalf of the Board of Directors as of April 4, 2025:

"James Gray" Director

"Graham Downs" Director

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

CASCADIA MINERALS LTD.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED

	December 31, 2024	December 31, 2023
Expenses:		
Directors' fees (Note 14)	\$ 28,000	\$ 14,000
Depreciation (Note 7)	3,297	5,668
Exploration expenses (Note 8)	3,876,575	3,691,535
General administrative expenses	56,204	92,168
Insurance	19,843	44,548
Investor relations and shareholder information	190,776	128,793
Management, administration, and corporate development fees (Note 14)	-	14,595
Office rent	50,594	46,607
Professional fees (Note 14)	202,872	289,825
Property examination costs (Note 14)	19,024	19,479
Salaries and benefits (Note 14)	448,280	492,576
Share-based payments (Notes 13 and 14)	284,969	132,276
Transfer agent and filing fees	53,825	125,809
Travel and meals	46,144	55,039
	(5,280,403)	(5,152,918)
Foreign exchange	(2,869)	(2,669)
Gain on option of mineral property interest (Note 8)	-	180,000
Interest income	51,910	112,538
Recovery of flow-through premium liability (Note 10)	205,930	564,235
Unrealized loss on marketable securities (Note 6)	(30,000)	(93,000)
Write-off of mineral property interests (Note 8)	(413,448)	-
	(188,477)	761,104
Loss and comprehensive loss for the year	\$ (5,468,880)	\$ (4,391,814)
Weighted average number of shares outstanding		
- Basic and diluted	47,336,918	28,066,434
Basic and diluted loss per share	\$ (0.12)	\$ (0.11)

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

CASCADIA MINERALS LTD.

Consolidated Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves	Net parent investment	Deficit	Total
	Number of shares	Share Capital				
December 31, 2022	-	\$ -	\$ -	\$ 2,614,026	\$ (2,195,243)	\$ 418,783
Net contributions from ATAC Resources Ltd.	-	-	-	1,599,429	-	1,599,429
Incorporation share issued	1	1	-	-	-	1
Cash received from ATAC Resources Ltd. (Note 11)	-	-	-	613,942	-	613,942
Shares issued pursuant to Arrangement Agreement (Notes 11, 12)	22,150,089	4,825,392	(3,462,751)	(3,557,884)	2,195,243	-
Cancellation of incorporation share	(1)	(1)	-	-	-	(1)
Shares issued pursuant to Hecla strategic investment (Notes 12)	5,502,956	1,217,754	782,246	-	-	2,000,000
Shares issued pursuant to flow-through financing (Note 12)	1,521,739	350,000	-	-	-	350,000
Shares issued pursuant to charity flow-through financing (Note 12)	7,382,562	1,845,641	-	-	-	1,845,641
Flow-through premium liability (Note 10)	-	(592,777)	-	-	-	(592,777)
Shares issued for mineral property (Note 8)	564,690	172,935	-	-	-	172,935
Share issuance costs (Note 12)	-	(131,368)	-	-	-	(131,368)
Share-based payments (Note 13)	-	-	132,276	-	-	132,276
Loss and comprehensive loss for the year	-	-	-	(1,269,513)	(3,122,301)	(4,391,814)
December 31, 2023	37,122,036	7,687,577	(2,548,229)	-	(3,122,301)	2,017,047
Shares issued pursuant to private placement financings (Note 12)	9,507,779	1,211,400	-	-	-	1,211,400
Shares issued pursuant to flow-through financings (Note 12)	4,760,000	1,111,500	-	-	-	1,111,500
Shares issued pursuant to charity flow-through financing (Note 12)	19,200,000	4,182,250	-	-	-	4,182,250
Flow-through premium liability (Note 10)	-	(302,388)	-	-	-	(302,388)
Shares issued for mineral property (Note 8)	200,000	20,000	-	-	-	20,000
Shares issued pursuant to exercise of warrants	22,000	5,500	-	-	-	5,500
Shares issued pursuant to vesting of restricted share units (Note 12)	91,666	18,333	(18,333)	-	-	-
Expiry of broker warrants (Note 13)	-	-	(57,400)	-	57,400	-
Share-based payments (Note 13)	-	-	284,969	-	-	284,969
Share issuance costs (Notes 12, 13 and 16)	-	(479,917)	151,014	-	-	(328,903)
Loss and comprehensive loss for the year	-	-	-	-	(5,468,880)	(5,468,880)
December 31, 2024	70,903,481	\$13,454,255	\$ (2,187,979)	\$ -	\$ (8,533,781)	\$ 2,732,495

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

CASCADIA MINERALS LTD.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED

	December 31, 2024	December 31, 2023
Cash flows from operating activities:		
Loss and comprehensive loss for the year	\$ (5,468,880)	\$ (4,391,814)
Items not involving cash:		
Depreciation	4,464	6,836
Share-based payments	284,969	132,276
Interest income	-	(112,538)
Unrealized loss on marketable securities	30,000	93,000
Recovery of flow-through premium liability	(205,930)	(564,235)
Exploration incentive receivable	-	(50,000)
Gain/loss on option of mineral property interest	-	(180,000)
Asset retirement obligation	2,758	60,953
Write-off of mineral property interests	413,448	-
Changes in non-cash working capital items:		
Receivables and prepayments	54,119	(117,525)
Accounts payable and accrued liabilities	9,172	(23,396)
Accounts payable due to related parties	(27,484)	39,047
Net contributions from ATAC Resources Ltd.	-	1,599,429
Net cash used in operating activities	(4,903,364)	(3,507,967)
Cash flows from investing activities:		
Exploration incentive received	-	50,000
Mineral property acquisition costs	(82,470)	(230,440)
Net cash used in investing activities	(82,470)	(180,440)
Cash flows from financing activities:		
Cash received from ATAC Resources Ltd.	-	613,942
Proceeds from Hecla strategic investment (Note 10)	-	2,000,000
Proceeds from private placements (Note 12)	1,211,400	-
Proceeds from flow-through financings (Note 12)	1,111,500	350,000
Proceeds from charity flow-through financings (Note 12)	4,182,250	1,845,641
Share issuance costs	(300,167)	(129,368)
Proceeds from warrant exercises	5,500	-
Net cash provided by financing activities	6,210,483	4,680,215
Net increase in cash and cash equivalents	1,224,649	991,808
Cash and cash equivalents, beginning of the year	991,808	-
Cash and cash equivalents, end of the year	\$ 2,216,457	\$ 991,808

Supplemental cash flow information (Note 16)

During the years ended December 31, 2024 and 2023, no amounts were paid for interest or income tax expense.

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

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

1. Nature of operations and arrangement agreement

Cascadia Minerals Ltd. ("Cascadia" or the "Company") was incorporated under the laws of the Province of British Columbia, Canada as a wholly-owned subsidiary of ATAC Resources Ltd. ("ATAC") on March 23, 2023. The main business activity of the Company is the acquisition, exploration and evaluation of mineral property interests located in Canada and United States.

The Company's head office is located at 1500 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. Its records office is located at 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8. On July 19, 2023, the Company's common shares commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol "CAM". On March 11, 2024, the Company's common shares commenced trading on the OTCQB Venture Market under the symbol "CAMNF".

On July 7, 2023, Hecla Mining Company ("Hecla") acquired all of the issued and outstanding shares of ATAC for consideration of 0.0166 Hecla common share and 0.1 common share of Cascadia for each one common share of ATAC (the "Transaction") (Note 2(c)).

As a result of the Transaction, the Company held all of the rights and interests related to the Catch, PIL, Rosy, and Idaho Creek projects (the "Cascadia Assets"), subject to a right of first refusal to Hecla to acquire any or all of the Cascadia Assets.

The shareholders of ATAC and the Company were the same before and after the transfer of the Cascadia Assets; consequently, the Transaction was considered to be a common control transaction. These consolidated financial statements reflect the assets, liabilities, income, expenses and cash flows of the operations of the exploration business of Cascadia as a carve-out of the Company from ATAC until July 7, 2023 and then as the Company having assumed the Cascadia Assets from July 7, 2023.

Hecla also completed a \$2,000,000 strategic investment into Cascadia (the "Strategic Investment") (Notes 12 and 13). Following completion of the Transaction and the Strategic Investment, ATAC shareholders owned 80.1% and Hecla owned 19.9% of Cascadia's issued and outstanding common shares. Hecla's ownership interest has been reduced to 19.6% as at December 31, 2023 and 11.04% as at December 31, 2024.

The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition of the mineral property interests. The Company's property interests are in the exploration stage and do not have proven economic viability.

The Company has a history of losses with no operating revenue, an accumulated deficit of \$8,533,781 since inception, and a net working capital of \$2,304,777 as at December 31, 2024. Management recognizes that the Company will continue to need to generate additional financial resources to meet its planned business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern within one year from the date of filing of these consolidated financial statements.

These consolidated financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The Company may be adversely affected by global economic and local, national and international policy impacts on its workplaces, supply chains and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2. Basis of presentation and common control transaction

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis. Except for certain cash flow information, the Consolidated financial statements have been prepared using the accrual method of accounting.

All amounts in these Consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

The financial information presented, up to the Transaction date of July 7, 2023, reflect the assets, liabilities, income, expenses and cash flows of the operations of the exploration business of Cascadia as a carve-out of amounts previously reported within the financial statements of ATAC. The basis for allocation to the Company from the financial operations of ATAC is as follows:

Items of Financial Position

The carve-out Consolidated statements of financial position reflect the assets and liabilities recorded by ATAC assigned to the Company on the basis that they are specifically identifiable and attributable to the Company. The Company is presented as wholly reliant on ATAC for cash funding as was the case in the periods presented.

Items of Financial Operations

The Company has an accounting policy of expensing exploration expenditures as incurred. The Consolidated statements of loss and comprehensive loss include all exploration and evaluation expenditures incurred with respect to the Cascadia Assets for the periods presented as incurred by ATAC, a related party, until July 7, 2023.

The consolidated statements of loss and comprehensive loss include a pro-rata allocation of ATAC's non-exploration expenses incurred in each of the periods presented until July 7, 2023, based on a percentage of the exploration and evaluation activity on the Cascadia Assets relative to the overall exploration expenditures incurred by ATAC in those periods. Specific identifiable activities attributable to the Company have been included. For the 2023 carve-out period presented, the portion of ATAC's non-exploration expenses that has been included herein was 91%.

Other items

Income taxes have been calculated as if the Company had been a separate legal entity and filed separate tax returns for the periods presented. The flow-through obligations of ATAC for the periods presented until July 7, 2023, have been assumed to be those of ATAC and not Cascadia.

The preparation of carve-out financial statements requires management to make significant estimates and judgments with respect to activities and expenditures undertaken by the Company. Management cautions readers of the carve-out consolidated financial statements that the Company's results do not necessarily reflect what the results of the operations, financial position, or cash flows would have been as a standalone entity. Further, the allocation of income and expense in these carve-out statements of loss and comprehensive loss does not necessarily reflect the nature and level of the Company's future income and operating expenses.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

2. Basis of presentation and common control transaction (continued)

c) Common control transaction

On July 7, 2023, the Transaction was completed and Hecla acquired all of the issued and outstanding shares of ATAC for consideration of 0.0166 Hecla common share and 0.1 common share of Cascadia for each one common share of ATAC. Consequently, Cascadia issued 22,150,089 common shares (Note 12) and an aggregate of 2,320,436 warrants with a weighted average exercise price of \$0.47 (Note 13) to ATAC shareholders and received the Cascadia Assets.

The shareholders of ATAC and the Company were the same before and after the transfer of the Cascadia Assets; consequently, the Transaction was considered to be a common control transaction. On completion of the Transaction, the transfer of these net assets to the Company resulted in no substantive change in their underlying ownership at the shareholder level. Accordingly, the receipt of the Cascadia Assets and related working capital items were recorded at historical cost as a continuance from ATAC. ATAC transferred cash of \$613,942 pursuant to the terms of the Transaction agreement.

The Company issued 22,150,089 common shares to ATAC shareholders valued at \$4,825,393, or \$0.22 per share, which was based on the concurrent financing with Hecla and issued an aggregate of 2,320,436 warrants (the "ATAC Warrants") valued at \$57,400 using the Black-Scholes pricing model (Note 13). The difference in the value between the shares issued, ATAC warrants and accumulated net investment from ATAC was recorded to reserves in the statement of shareholders' equity.

d) Basis of consolidation

These Consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiary. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

	Country of Incorporation	Effective Interest	Functional currency
Cascadia Minerals USA Inc.*	USA	100%	Canadian Dollar

* Incorporated on January 14, 2021.

3. Material accounting policy information

Financial instruments

The Company classifies its financial instruments in the following categories: as fair value through profit or loss ("FVTPL"), financial assets at amortized cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Non-derivative financial assets and liabilities

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. Material accounting policy information (continued)

Financial instruments (continued)

(i) Non-derivative financial assets and liabilities (continued)

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and
- (b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Cash and cash equivalents, receivables and reclamation deposits are classified as financial assets at amortized cost. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

The Company's marketable securities are classified as FVTPL. Marketable securities held in companies with an active market are classified as current assets at fair value. When there is evidence of impairment the shares are written down to expected realizable value.

(ii) Other financial liabilities

The Company has the following other financial liabilities: accounts payable and accrued liabilities, and accounts payable to related parties. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

Mineral property interests

The acquisition costs of mineral property interests are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs are expensed as incurred until it has been established that a mineral property is commercially viable. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the year the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the year the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. Material accounting policy information (continued)

Mineral property interests (continued)

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the exploration expenditures incurred that give rise to the credits. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

Equipment

Equipment is measured at cost less accumulated depreciation and impairment losses. Equipment not available for use is not subject to depreciation. Depreciation is recognized on a straight-line basis over the equipment's useful life. Computer equipment is recognized over 3 years, and field equipment is recognized over 5 years.

An asset's residual value, useful life and depreciation method is reviewed at each reporting period and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs that meet the asset recognition criteria are capitalized, while costs incurred that do not extend the economic useful life of an asset are considered repairs and maintenance, which are accounted for as an expense recognized during the period. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Impairment

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed above.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
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3. Material accounting policy information (continued)

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from reserves.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Prior to listing on the TSX-V, the Company applied a relative fair value method to valuing the common share and warrant issued in a unit (Note 13) as there was no market price in which to calculate the residual value method.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
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3. Material accounting policy information (continued)

Contributions

Contributions from ATAC to the Company are presented as part of equity.

Common control transaction

The shareholders of ATAC and the Company were the same before and after the transfer of the Cascadia Assets; consequently, the Transaction was considered to be a common control transaction. The Cascadia Assets and related working capital items were continued to the Company according to historical cost as carried by ATAC.

Flow-through shares

As an incentive to complete private placements, the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability. The deferred income tax liability and reversal of the flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

Share-based payments

The Company records all share-based payment at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Stock options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Stock options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. Restricted stock units ("RSUs") are valued using the closing price of the Company's common stock on the date of issuance.

Over the vesting period, share-based payments are recorded as an operating expense and as reserves. When instruments are exercised the consideration received is recorded as share capital and the related share-based payments originally recorded as reserves are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from reserves and credited to deficit.

From time to time in connection with private placements, the Company issues compensatory finder warrants or broker warrants to agents as commission for services. Issuances of finder warrants and broker warrants are accounted for in accordance with the fair value method of accounting and result in share issue costs and a credit to reserves when finder warrants and broker warrants are issued. The fair value of a warrant on a share is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the finder warrants or broker warrants were granted. When finder warrants or broker warrants are cancelled or expires, the initial recorded value is reversed from reserves and credited to deficit.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the years ended December 31, 2024 and 2023

3. Material accounting policy information (continued)

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

Government assistance

The Company periodically applies for financial assistance under available government incentive programs including the Yukon Mineral Exploration Program in relation to exploration and evaluation expenditures. Such government assistance is recorded as a reduction of the related expenditures in the current period when the related expenditures are incurred, providing there is reasonable assurance of recoverability.

Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Judgment is used mainly in determining how a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Estimates

- (i) Management has made significant estimates and judgments with respect to activities and expenditures undertaken by the Company prior to the completion of the Transaction on July 7, 2023. Management cautions readers of the consolidated financial statements that the Company's historic results do not necessarily reflect what the results of the operations, financial position, or cash flows would have been as a standalone entity. Further, the allocation of income and expense for historic periods does not necessarily reflect the nature and level of the Company's future income and operating expenses.
- (ii) Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainty and requires the Company to assess the value of non-flow through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.
- (iii) The determination of the fair value of stock options, restricted share units, or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options, restricted share units, and warrants.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
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3. Material accounting policy information (continued)

Judgments

- (i) Recorded costs of mineral property interests are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- (ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
- (iii) The assessment of the Company's ability to continue as a going concern on which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future.

New accounting standards

The accounting policy information disclosed in notes 2 and 3 reflect the Company's material accounting policies.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

The Company has reviewed other new and revised accounting pronouncements that have been issued but are not yet effective, and has determined that these updates are not applicable or consequential to the Company and have been excluded from discussion within these material accounting policies.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	December 31, 2024	December 31, 2023
Bank balances	\$ 2,216,457	\$ 16,808
Cashable investment certificates	-	975,000
	<u>\$ 2,216,457</u>	<u>\$ 991,808</u>

CASCADIA MINERALS LTD.

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5. Receivables and prepayments

Receivables and prepayments consist of the following:

	December 31, 2024	December 31, 2023
Sales tax recoverable	\$ 7,653	\$ 45,867
Interest receivable	-	24,885
Receivable from Hecla Mining Company	-	94,047
Exploration incentives receivable (Note 8)	126,642	50,000
Other receivables	40,247	-
Prepaid expenses and deposits	168,954	151,816
	\$ 343,496	\$ 366,615

6. Marketable securities

Marketable securities consist of common shares with an active market, received on the option of mineral property interests as follows:

	Amount
Cost	
December 31, 2022	\$ -
Additions	180,000
December 31, 2023, and 2024	180,000
Fair value	
December 31 2022	-
Additions	180,000
Unrealized loss	(93,000)
December 31, 2023	87,000
Unrealized loss	(30,000)
December 31, 2024	\$ 57,000

During the year ended December 31, 2023, the Company received 6,000,000 pre-consolidation shares of Hardcore Discoveries Ltd. pursuant to a settlement agreement regarding the termination of the Idaho Creek property option agreement (Note 8(a)).

7. Equipment

	Computer equipment	Field equipment	Total
Cost			
December 31, 2022, 2023 and 2024	\$ 17,002	\$ 3,500	\$ 20,502
Accumulated depreciation			
December 31, 2022	7,769	875	8,644
Depreciation	5,668	1,168	6,836
December 31, 2023	13,437	2,043	15,480
Depreciation	3,297	1,167	4,464
December 31, 2024	\$ 16,734	\$ 3,210	\$ 19,944
Net book value			
December 31, 2023	\$ 3,565	\$ 1,457	\$ 5,022
December 31, 2024	\$ 268	\$ 290	\$ 558

CASCADIA MINERALS LTD.

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7. Equipment (continued)

For the year ended December 31, 2024, depreciation expense of \$1,167 (2023 - \$1,168) on field equipment is included in exploration expenses in profit or loss.

8. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in the Yukon Territory and British Columbia, Canada. The properties have been grouped into wholly-owned, and under option. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects. Changes in the project carrying amounts for the years ended December 31, 2024, and 2023 are summarized as follows:

	December 31, 2023	Acquisitions / staking / assessments	Write-off	December 31, 2024
Wholly-owned projects				
Rosy	\$ 84,690	\$ -	\$ -	\$ 84,690
Macks	58,497	-	-	58,497
Milner	35,853	-	-	35,853
Idaho Creek	-	-	-	-
Under option projects				
Catch	178,120	70,000	-	248,120
PIL	355,448	-	(355,448)	-
Sands of Time	58,000	-	(58,000)	-
Total	\$ 770,608	\$ 70,000	\$ (413,448)	\$ 427,160

	December 31, 2022	Acquisitions / staking / assessments	Cash / Shares Received	Gain on option	December 31, 2023
Wholly-owned projects					
Idaho Creek	\$ -	\$ -	\$ 180,000	\$ (180,000)	\$ -
Rosy	84,690	-	-	-	84,690
Macks	-	58,497	-	-	58,497
Milner	-	35,853	-	-	35,853
Under option projects					
Catch	45,060	133,060	-	-	178,120
PIL	205,013	150,435	-	-	355,448
Sands of Time	-	58,000	-	-	58,000
Total	\$ 334,763	\$ 435,845	\$ 180,000	\$ (180,000)	\$ 770,608

a) Wholly-owned projects

The Company's wholly owned projects are comprised of the rights to explore various mineral claims located in the Yukon Territory, which are at various stages of exploration. They are not subject to any option or sale agreements, except as noted below.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
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8. Mineral property interests (continued)

a) Wholly-owned projects (continued)

Rosy Project

The Rosy project consists of a 100% interest in the Rosy and Sam mineral claims located in the Whitehorse Mining District, Yukon Territory.

In 2023, the Company was approved to receive financial assistance from the Yukon Government on 2023 qualified exploration expenditures on its Rosy project, to a maximum of \$50,000. The Company recognized a receivable for the 2023 grant as at December 31, 2023 (Note 5); the grant was received during the year ended December 31, 2024.

Idaho Creek Project

The Idaho Creek project consists of a 100% interest in the Idaho mineral claims located in the Whitehorse Mining District, Yukon Territory.

On August 19, 2020, and amended on November 25, 2020, October 13, 2021 and March 21, 2023, ATAC signed a property option agreement (the "Option Agreement") with Hardcore Discoveries Ltd. ("Hardcore", formerly Makara Mining Corp.), whereby Hardcore had the option to earn a 100% interest in the Company's Idaho Creek project through completion of \$150,000 in staged cash payments by May 1, 2024 (\$35,000 received by ATAC), the issuance of 750,000 common shares of Hardcore by May 1, 2024 (425,000 shares received by ATAC at an aggregate fair value of \$65,750), and incurring \$2,000,000 in staged exploration expenditures on the project by December 1, 2024 (\$75,000 incurred). ATAC's rights and obligations under the Option Agreement were transferred to Cascadia pursuant to the Transaction.

If an aggregate of \$725,000 in exploration expenditures was not incurred by December 1, 2023, Hardcore was required to pay the difference between actual expenditures and \$725,000 to Cascadia by December 15, 2023, notwithstanding the termination of the Option Agreement (the "Hardcore Obligation").

On August 2, 2023, the Option Agreement was terminated by Hardcore. On September 28, 2023, the Company entered into a settlement agreement with Hardcore in relation to the Hardcore Obligation. Pursuant to the settlement agreement, Hardcore will:

- Pay \$4,200 to the Company to keep the Idaho mineral claims in good standing for not less than one year;
- Issue to the Company 6,000,000 pre-consolidation common shares, representing 9.9% ownership of Hardcore (the "Hardcore Shares," received (Note 6)); and
- Issue to the Company additional shares equal to 9.9% of any Hardcore share issuances for non-cash consideration for a period of 12 months.

The Hardcore Shares are subject to a hold period of 16 months, with 25% of the shares being released in four-month intervals.

On November 23, 2023, Hardcore consolidated its issued and outstanding common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares. The Hardcore share figures disclosed above and hereafter are on a pre-consolidation basis.

In the year ended December 31, 2023, the Company recognized a recovery in excess of carrying costs of \$180,000 attributable to the 6,000,000 pre-consolidation common shares received from Hardcore, recorded as a gain in the statement of profit or loss.

Macks and Milner Projects

During the year ended December 31, 2023, the Company staked certain claims in Yukon Territory, known as the Macks and Milner projects.

CASCADIA MINERALS LTD.

Notes to the Consolidated Financial Statements
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8. Mineral property interests (continued)

a) Wholly-owned projects (continued)

Macks and Milner Projects (continued)

In 2024, the Company was approved to receive financial assistance from the Yukon Government on 2024 qualified exploration expenditures on the Macks and Milner projects, to a maximum of \$50,000 each. The Company recognized receivables of \$39,343 and \$42,302 for the Macks and Milner projects, respectively, for the 2024 grants as at December 31, 2024 (Note 5). Both grants were received subsequent to December 31, 2024.

b) Projects under option

Catch Property Option Agreement

On January 20, 2022, ATAC entered into a property option agreement with a vendor, whereby ATAC had the option to earn a 100% interest in the Catch Property, located in Yukon Territory. On April 19, 2023, the Company, ATAC and the optionor entered into an assignment agreement, wherein the Company acquired the right to earn 100% interest in the Catch Property through completion of the following amended terms:

Cash payments of \$325,000:

- \$10,000 on exchange acceptance of the Option Agreement (paid by ATAC);
- \$15,000 on or before December 31, 2022 (paid by ATAC);
- \$25,000 on or before December 31, 2023 (paid);
- \$50,000 on or before December 31, 2024 (paid);
- \$75,000 on or before December 31, 2025; and
- \$150,000 on or before December 31, 2026.

The Company will issue an aggregate of 1,200,000 common shares as follows:

- 50,000 common shares or that number of common shares with a value not greater than \$10,000 on exchange acceptance of the Option Agreement (issued ATAC shares at a fair value of \$5,000);
- 50,000 common shares or that number of common shares with a value not greater than \$10,000 on or before December 31, 2022 (issued ATAC shares at a fair value of \$4,500);
- 100,000 common shares of the Company on or before December 31, 2023 (issued at a fair value of \$37,000);
- 200,000 common shares of the Company on or before December 31, 2024 (issued at a fair value of \$20,000);
- 300,000 common shares of the Company on or before December 31, 2025; and
- 500,000 common shares of the Company on or before December 31, 2026.

Incurrence of \$3,600,000 in exploration expenditures on the project as follows:

- \$150,000 on or before December 31, 2022 (incurred);
- \$200,000 on or before December 31, 2023 (incurred);
- \$350,000 on or before December 31, 2024 (incurred);
- \$900,000 on or before December 31, 2025 (incurred); and
- \$2,000,000 on or before December 31, 2026 (incurred).

The Catch Property is subject to an annual advance royalty of \$25,000, due on or before December 31 of each calendar year, commencing in the year in which a pre-feasibility study is completed and continuing until the earlier of: 1) the commencement of commercial production, or 2) the vendor having received an aggregate \$500,000 in advance royalty payments. The Catch Property is also subject to a 2% NSR, with the Company having a right to buy back one-half of the NSR for \$1,000,000.

CASCADIA MINERALS LTD.

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8. Mineral property interests (continued)

b) Projects under option (continued)

Catch Property Option Agreement (continued)

Upon the determination of an initial resource equal to or greater than 1,000,000 ounces of gold equivalent on the Catch Property, the vendor is also entitled to a milestone payment of \$1 per ounce of gold equivalent, which may be satisfied wholly or partially by the issuance of common shares, to be calculated using the 10-day volume-adjusted weighted average price, subject to such price not being less than \$0.05.

In 2022, the Company was approved to receive financial assistance from the Yukon Government on 2022 qualified exploration expenditures on its Catch project, to a maximum of \$50,000. The grant was received during the year ended December 31, 2023.

PIL Property Option Agreement

On February 21, 2022, and as amended on February 28, 2022, April 28, 2023, and June 27, 2023, ATAC entered into a property option agreement with Finlay Minerals Ltd. ("Finlay") to acquire a 70% interest in the PIL Property in northern British Columbia. On April 20, 2023, the Company, ATAC and Finlay entered into an assignment agreement, wherein the Company acquired the right to earn 100% interest in the PIL Property through completion of the following terms: aggregate cash payments of \$650,000 through December 31, 2026 (\$150,000 paid), issuances of common shares through December 31, 2026 with an aggregate value of not more than \$1,250,000 (issued 842,285 ATAC common shares at a total fair value of \$90,608 and 264,690 common shares at a fair value of \$97,935), and the incurrence of an aggregate of \$12,000,000 in exploration expenditures on the project through December 31, 2026 (\$2,400,000 incurred).

Following the exercise of the option, the Company and Finlay would have held interests in the property of 70% and 30%, respectively, and a joint venture was to be formed. The PIL Property was also subject to a 3% net smelter return royalty held by Electrum Resource Corp., with a right to buy back one-half of the royalty (1.5%) for \$2,000,000. This buyback right was to be transferred to the joint venture following completion of the option.

In fiscal 2022, ATAC also acquired various mineral property claims adjacent to the PIL property, which were transferred from ATAC to the Company in connection with the Transaction (Note 1).

Under an agreement dated September 1, 2023, the Company acquired additional mineral claims adjacent to the PIL property from Eagle Plains. The purchase price consisted of \$1 cash consideration and Eagle Plains returning a 2% net smelter royalty interest. The Company had the right to purchase one-half (1%) of the net smelter royalty interest at any time for \$500,000.

On December 31, 2024, the Company terminated the PIL property option agreement and transferred all royalty obligations to Finlay; accordingly, the Company wrote-off mineral property acquisition costs of \$355,448 on the PIL property for the year ended December 31, 2024.

Sands of Time Option Agreement

During the year ended December 31, 2023, the Company entered into a property option agreement with a vendor, whereby the Company had the option to earn a 100% interest in the Sands of Time Property, located in Yukon Territory, through completion of the following terms: aggregate cash payments of \$200,000 through December 31, 2026 (\$20,000 paid), the issuance of an aggregate 900,000 common shares of the Company on or before December 31, 2026 (200,000 common shares of the Company issued at a value of \$38,000), and the incurrence of \$1,300,000 in exploration expenditures on the project through December 31, 2026 (\$100,000 incurred).

The Sands of Time Property was subject to a 2% NSR, with the Company having a right to buy back one-half of the NSR for \$1,000,000.

Upon the determination of an initial resource equal to or greater than 1,000,000 ounces of gold equivalent on the Sands of Time Property, the vendor is also entitled to a milestone payment of \$1 per ounce of gold equivalent.

CASCADIA MINERALS LTD.

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8. Mineral property interests (continued)

b) Projects under option (continued)

Sands of Time Property Option Agreement (continued)

In 2024, the Company was approved to receive financial assistance from the Yukon Government on 2024 qualified exploration expenditures on the Sands of Time project, to a maximum of \$50,000. The Company recognized a receivable of \$44,997 for the 2024 grant as at December 31, 2024 (Note 5), which was received subsequent to December 31, 2024.

On December 31, 2024, the Company terminated the Sands of Time option agreement with the vendor; accordingly, the Company wrote-off mineral property acquisition costs of \$58,000 on the Sands of Time project for the year ended December 31, 2024.

c) Exploration expenditures

Exploration and evaluation expenditures on the projects consisted of the following:

For the year ended December 31, 2024	Catch	PIL	Macks	Milner	Sands of Time	General Exploration and Other	Total
Assays	\$ 127,538	\$ 79,581	\$ 28,987	\$ 35,603	\$ 25,522	\$ -	\$ 297,230
Asset retirement obligation costs	2,758	-	-	-	-	-	2,758
Depreciation	-	-	-	-	-	1,167	1,167
Drilling	815,588	409,134	-	-	-	-	1,224,722
Field and camp	184,966	104,179	1,689	1,685	13	1,075	293,607
Government and community relations	31,736	15,410	-	-	-	-	47,146
Helicopter and fixed wing	470,775	340,158	15,415	11,295	44,015	-	881,658
Labour	232,898	103,175	28,898	12,258	34,297	14,285	425,811
Environmental studies	-	16,992	-	-	-	-	16,992
Surveys and consulting	51,443	178,753	47,186	56,776	42,139	-	376,297
Tenure filing fees	12,540	-	5,790	4,830	10,174	6,982	40,316
Travel and accommodations	<u>157,877</u>	<u>247,811</u>	<u>7,782</u>	<u>7,782</u>	<u>17,957</u>	<u>850</u>	<u>440,059</u>
Total by Project	\$2,088,119	\$1,495,193	\$ 135,747	\$ 130,229	\$ 174,117	\$ 24,359	\$4,047,764
Less: exploration incentives	-	-	(39,343)	(42,302)	(44,997)	-	(126,642)
Less: recovery of tax credits	<u>-</u>	<u>(44,547)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,547)</u>
Net total by Project	\$2,088,119	\$1,450,646	\$ 96,404	\$ 87,927	\$ 129,120	\$ 24,359	\$3,876,575

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8. Mineral property interests (continued)

c) Exploration expenditures (continued)

For the year ended December 31, 2023	Catch	PIL	Rosy	General Exploration and Other	Total
Assays	\$ 168,945	\$ 28,373	\$ 52,834	\$ 28,266	\$ 278,418
Asset retirement obligation costs	60,953	-	-	-	60,953
Depreciation	-	-	-	1,168	1,168
Drilling	850,149	-	-	-	850,149
Field and camp	250,255	2,563	1,654	1,131	255,603
Government and community relations	840	29,421	-	4,430	34,691
Helicopter and fixed wing	742,996	54,278	30,592	72,798	900,664
Labour	422,633	42,474	39,139	18,602	522,848
Surveys and consulting	237,266	269,945	36,697	-	543,908
Tenure filing fees	3,578	-	-	-	3,578
Travel and accommodations	241,936	18,508	23,856	5,255	289,555
Total by Project	\$ 2,979,551	\$ 445,562	\$ 184,772	\$ 131,650	\$ 3,741,535
Less: exploration incentives	-	-	(50,000)	-	(50,000)
Net total by Project	\$ 2,979,551	\$ 445,562	\$ 134,772	\$ 131,650	\$ 3,691,535

d) Asset retirement obligation

	Amount
Balance, December 31, 2022	\$ -
Additions	60,953
Balance, December 31, 2023	\$ 60,953
Additions	2,758
Balance, December 31, 2024	\$ 63,711
Represented as:	
Current portion of asset retirement obligation	\$ 63,711
Non-current portion of asset retirement obligation	\$ -

The undiscounted amounts of estimated cash flows were estimated at \$68,270 (December 31, 2023 - \$63,975) for the Catch project. The liability was estimated using an expected life of 0.67 years, inflation rate of 1.8%, and a risk-adjusted rate of 12.92%.

9. Reclamation deposit

As at December 31, 2024, the Company had pledged reclamation deposits of \$nil (2023 - \$31,000) with respect to the PIL project. As the PIL project was terminated on December 31, 2024, the Company has recorded the reclamation deposits of \$31,000 as a receivable at December 31, 2024.

10. Flow-through premium liability and related commitment

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

In the year ended December 31, 2023, the Company completed flow-through financings for aggregate proceeds of \$2,195,641 (Note 12), of which \$2,195,551 in expenditures and available income tax benefits were renounced to the flow-through shareholders effective December 31, 2023. As of December 31, 2024, \$2,195,551 (2023 - \$2,093,286) of the funds had been spent and \$nil (2023 - \$102,266) remains to be spent. The Company recorded a premium of \$592,777 in relation to the 2023 flow-through financings, of which \$28,542 remained unamortized at December 31, 2023, and which has been fully amortized at December 31, 2024.

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10. Flow-through premium liability and related commitment (continued)

During the year ended December 31, 2024, the Company completed flow-through financings for aggregate proceeds of \$5,293,750 (Note 12), of which \$5,293,643 in expenditures and available income tax benefits were renounced to the flow-through shareholders effective December 31, 2024. As of December 31, 2024, \$3,690,566 of the funds had been spent and \$1,603,077 remains to be spent. The Company has recorded an aggregate premium of \$302,388 in relation to the 2024 FT Units (as defined herein), the June 2024 BC CFT Units (as defined herein), and the December 2024 CFT Shares (as defined herein), of which \$125,000 relating to the December CFT Shares remains unamortized at December 31, 2024.

Flow-through premium liability	
Balance, December 31, 2022	\$ -
Addition pursuant to financing	592,777
Reduction, pro rata based on eligible expenditures	(564,235)
Balance, December 31, 2023	28,542
Addition pursuant to financing	302,388
Reduction, pro rata based on eligible expenditures	(205,930)
Balance, December 31, 2024	\$ 125,000

No portion of the flow-through exploration obligation is accrued for accounting purposes, while the flow-through premium liability, although accrued, is a non-cash item which will ultimately be included in profit or loss.

11. Net parent investment

Until the completion of the Transaction on July 7, 2023, ATAC's net investment in the operations of Cascadia is presented as net parent investment because a direct ownership by Cascadia shareholders in the operations of Cascadia did not yet exist.

Net financing transactions with ATAC as presented on the statement of cash flows represent the net contributions related to funding between ATAC and the Company.

The following table reconciles the net parent investment of ATAC to July 7, 2023:

Net parent investment	
Balance, December 31, 2022	\$ 2,614,026
Net contributions from ATAC prior to the Transaction	1,599,429
Cash received from ATAC on completion of the Transaction	613,942
Comprehensive loss for the year attributable to carve-out	(1,269,513)
Common shares issued on common-control transaction	(3,557,884)
Balance, July 7, 2023	\$ -

For the year ended December 31, 2023, the Company recognized a comprehensive loss of \$1,269,513 prior to the Transaction and \$3,122,301 subsequent, for a total comprehensive loss for the year ended December 31, 2023, of \$4,391,814.

12. Share capital

The authorized share capital of the Company consists of unlimited common shares without par value. All issued shares are fully paid.

2024 Transactions

On April 12, 2024, and May 3, 2024, the Company completed a private placement in two tranches for total proceeds of \$1,518,400 as follows:

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12. Share capital (continued)

2024 Transactions (continued)

- 4,035,000 critical minerals flow-through units (the “2024 FT Units”) at a price of \$0.20 per 2024 FT Unit for total proceeds of \$807,000; and
- 3,952,223 non-flow-through units (the “2024 NFT Units”) at a price of \$0.18 per 2024 NFT Unit for total proceeds of \$711,400.

Each 2024 FT Unit comprised one flow-through common share and one share purchase warrant (a “2024 FT Warrant”). Each 2024 FT Warrant was issued on a non-flow-through basis and is exercisable at a price of \$0.30 per share for a period of 2 years. Each 2024 NFT Unit comprised one common share and one share purchase warrant (“2024 NFT Warrant”). Each 2024 NFT Warrant is exercisable at a price of \$0.28 per share for a period of 2 years. The Company incurred total cash finders’ fees of \$61,446, other share issuance costs of \$15,939, and issued a total of 313,950 finders’ warrants exercisable at a price of \$0.28 per share for a period of 2 years, with a fair value of \$29,841 (Note 13).

Hecla purchased 555,556 2024 NFT Units for post-close ownership of 17.36% of Cascadia’s issued and outstanding common shares (reduced to 11% at December 31, 2024).

On June 10, 2024, the Company issued 22,000 common shares on the exercise of warrants at a price of \$0.25 per share.

On June 21, 2024, the Company completed non-brokered private placements of total proceeds of \$3,236,750 as follows:

- 725,000 flow-through common shares (the “June 2024 FT shares”) at a price of \$0.42 per June 2024 FT shares for total proceeds of \$304,500;
- 4,550,000 critical minerals charity flow-through units (the “June 2024 CFT Units”) at a price of \$0.42 per June 2024 CFT Unit for total proceeds of \$1,911,000; and
- 2,150,000 critical minerals British Columbia charity flow-through units (the “June 2024 BC CFT Units”) at a price of \$0.475 per June 2024 BC CFT Unit for total proceeds of \$1,021,250.

Each June 2024 CFT Unit, and June 2024 BC CFT Unit comprise one flow-through common share and one-half of one common share purchase warrant (“June 2024 FT Warrant”). All June 2024 FT Warrants were issued on a non-flow-through basis and are exercisable at a price of \$0.45 per share for a period of 3 years. The Company incurred total cash finders’ fees of \$88,380, other share issuance costs of \$50,447, and issued a total of 294,480 finders’ warrants exercisable at a price of \$0.45 per share for a period of 3 years, with a fair value of \$78,704 (Note 13).

The Company allocated an aggregate of \$106,808 to the flow-through premium for 2024 financings and recorded this as its flow-through premium liability (Note 10). As at December 31, 2024, the Company must incur remaining flow-through expenditures of \$353,077 in relation to the June 2024 CFT Units.

On August 10, 2024, the Company issued 91,666 common shares upon the vesting of restricted share units at a price of \$0.20 per share (Note 13) and incurred related share issuance costs of \$1,000.

On December 17, 2024, the Company completed non-brokered private placements of total proceeds of \$1,750,000 as follows:

- 5,555,556 non-flow-through units (the “December 2024 NFT Units”) at a price of \$0.09 per December 2024 NFT Units for total proceeds of \$500,000.
- 12,500,000 critical minerals flow-through shares (the “December 2024 CFT Shares”) at a price of \$0.10 per December 2024 CFT Share for total proceeds of \$1,250,000

Each December 2024 NFT Unit comprises one common share and one-half of one common share purchase warrant (the “December 2024 NFT Warrants”). Each December 2024 NFT Warrant is exercisable at a price of \$0.15 per share for a period of two years. The Company incurred total cash finders’ fees of \$80,745, other share issuance costs of \$31,948, and issued 770,000 finders’ warrants exercisable at a price of \$0.15 per share for a period of two years, with a fair value of \$42,470 (Note 13).

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12. Share capital (continued)

2024 Transactions (continued)

As at December 31, 2024, the Company must incur remaining flow-through expenditures of \$1,250,000 in relation to the December 2024 CFT Shares.

On December 17, 2024, the Company issued 200,000 common shares valued at \$20,000 for the Catch property option agreement (Note 8(b)).

2023 Transactions

The common shares issued pursuant to the Transaction are described at Note 2(c).

On July 7, 2023, Hecla completed a \$2,000,000 Strategic Investment by acquiring 5,502,956 Cascadia Units at a price of \$0.36 per Cascadia Unit. Each Cascadia Unit contains one common share of Cascadia and one warrant, with each warrant entitling Hecla to purchase one additional Cascadia common share for a period of five years at a price of \$0.36. The Company allocated \$782,246 to the warrants using the relative fair value method, where the fair value of the warrants was determined using Black Scholes pricing methodology with the following assumptions: volatility of 77.87%, expected life of 5 years, risk-free interest rate of 3.91% and dividend rate of 0%.

On August 24, 2023, the Company closed a non-brokered private placement of \$2,195,641, consisting of the sale of:

- 1,521,739 critical minerals flow-through units (the "FT Units") at a price of \$0.23 per FT Unit for total proceeds of \$350,000; and
- 7,382,562 critical minerals charity flow-through units (the "CFT Units") at a price of \$0.25 per CFT Unit for total proceeds of \$1,845,641.

Each FT Unit comprised one flow-through common share and one-half of a share purchase warrant. Each CFT Unit comprised one charity flow-through common share and one-half of a share purchase warrant. Each whole warrant was issued on a non-flow-through basis and is exercisable at a price of \$0.25 per share for a period of 3 years. The Company allocated \$592,777 to the flow-through premium and recorded this as its flow-through premium liability (Note 10). As at December 31, 2024, the Company must incur remaining flow-through expenditures of \$nil (December 31, 2023 - \$102,266).

Hecla purchased 1,772,000 CFT Units for post-close ownership of 19.8% of Cascadia's issued and outstanding common shares (19.6% as at December 31, 2023 and 11.04% as at December 31, 2024).

On December 8, 2023, the Company issued 100,000 common shares valued at \$37,000 for the Catch property option agreement (Note 8(b)), and 264,690 common shares valued at \$97,935 for the PIL property option agreement (Note 8(b)).

Escrowed Securities

The Cascadia Units are subject to an escrow agreement pursuant to which 10% of the Units were released from escrow at the date of listing of the Company's shares on the TSXV (July 19, 2023) and the remaining escrowed Cascadia Units will be released in equal tranches of 15% every six months thereafter until July 17, 2026. As at December 31, 2024, 3,301,772 Cascadia Units were held in escrow (2023 - 4,952,660). A further 825,443 Cascadia Units were released from escrow subsequent to December 31, 2024.

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13. Reserves

Omnibus Incentive Plan

The Company has adopted an Omnibus Incentive Plan (the "Plan") which authorizes the Board of Directors to issue a variety of equity-based awards that provide different types of incentives to be granted to the Company's directors, officers, employees and consultants. The Plan provides that the maximum number of common shares that may be reserved and available for issuance under the Plan and all of Company's other equity incentive plans or compensation arrangements in existence from time to time on and after the effective date of the Plan, will be 10% of the total issued and outstanding common shares from time to time. The exercise price of each stock option shall not be less than the market price of the Company's shares as calculated on the date of grant. An option's maximum term is ten years and shall vest as determined by the Board of Directors. Options granted to investor relations consultants shall vest in stages over 12 months with no more than one-quarter of options vesting in any three-month period. If any award expires, is cancelled, otherwise terminated for any reason without having been exercised in full, or is settled in cash, the number of common shares in respect of which such award was not exercised will again be available for issuance under the Plan.

The Plan allows for the grant of stock options, restricted share units ("RSU"), performance share units ("PSU"), deferred share units ("DSU") and stock appreciation rights ("SAR"). As at December 31, 2024, the Company has not granted any PSU, DSU or SAR instruments.

Stock options

Stock option transactions are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2022	-	\$ -
Granted	1,250,000	0.20
Balance, December 31, 2023	1,250,000	\$ 0.20
Granted	1,575,000	0.22
Forfeited	(45,000)	0.22
Balance, December 31, 2024	2,780,000	0.21
Exercisable, December 31, 2024	2,037,500	\$ 0.21

As at December 31, 2024, the Company has stock options outstanding and exercisable as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Expiry Date
1,250,000	1,250,000	\$ 0.20	August 10, 2028*
<u>1,530,000</u>	<u>787,500</u>	\$ 0.22	May 15, 2029
2,780,000	2,037,500	\$ 0.21	

* Subsequent to December 31, 2024, 45,000 options expired unexercised in relation to a terminated employee.

During the years ended December 31, 2024, the Company granted 1,575,000 (2023 - 1,250,000) stock options to directors, officers, employees and consultants with a weighted average fair value of \$0.15 (2023 - \$0.14) per option. For the year ended December 31, 2024, the Company recognized share-based payments expense of \$258,233 (2023 - \$119,672) for options granted and vested.

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13. Reserves (continued)**Stock options (continued)**

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted:

	2024	2023
Expected volatility	87.84%	80.97%
Expected life	5 years	5 years
Risk-free interest rate	3.60%	3.93%
Dividend rate	Nil	Nil

Restricted share units

Restricted share unit ("RSU") transactions are as follows:

	Number of Restricted Share Units	Weighted Average Fair Value per Share at Grant Date
Balance, December 31, 2022	-	\$ -
Issued	275,000	0.20
Balance, December 31, 2023	275,000	\$ 0.20
Vested	(91,666)	0.20
Balance, December 31, 2024	183,334	\$ 0.20

The RSUs may be settled in cash or equity at the option of the Company. As the performance conditions of the RSUs granted were not market-related, the fair value per RSU used to calculate compensation expense for the RSUs granted in the year ended December 31, 2023, was determined to be \$0.20, equal to the market price on the date of grant. During the years ended December 31, 2024, the Company recognized share-based payments expense of \$26,736 (2023 - \$12,604) with respect to the vesting of RSUs. The RSUs vest over a period of three years; the Company issued 91,666 common shares in connection with the first tranche, which fully vested during the year ended December 31, 2024.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	-	\$ -
Issued	12,275,543	0.34
Balance, December 31, 2023	12,275,543	0.34
Granted	15,493,431	0.30
Exercised	(22,000)	0.25
Expired	(2,320,436)	0.47
Balance, December 31, 2024	25,426,538	\$ 0.30

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13. Reserves (continued)

Warrants (continued)

On July 7, 2023, pursuant to the Transaction (Note 2(c)), the Company issued an aggregate of 2,320,436 ATAC Warrants with a weighted average exercise price of \$0.47 and expiring March 31, 2024, and June 25, 2024. The ATAC Warrants were valued at an aggregate fair value of \$57,400 using the following weighted average Black-Scholes assumptions: volatility of 89.41%, expected life of 0.83 years, risk-free interest rate of 3.91% and dividend rate of 0%.

On July 7, 2023, the Company issued 5,502,956 warrants pursuant to the Hecla Strategic Investment (Note 12), with each warrant entitling Hecla to purchase one Cascadia common share at a price of \$0.36 per share until July 7, 2028.

On August 24, 2023, the Company issued 4,452,151 warrants pursuant to a non-brokered flow-through private placement (Note 12), with each warrant issued on a non-flow-through basis and exercisable at a price of \$0.25 per share until August 24, 2026.

On April 12, 2024, the Company issued:

- 2,720,000 2024 NFT Warrants;
- 2,020,000 2024 FT Warrants; and
- 185,500 finders' warrants, which were valued at a fair value of \$17,381 using the following Black-Scholes assumptions: volatility of 105.52%, expected life of 2 years, risk-free interest rate of 4.17% and dividend rate of 0%.

On May 3, 2024, the Company issued:

- 1,232,223 2024 NFT Warrants;
- 2,015,000 2024 FT Warrants; and
- 128,450 finders' warrants, which were valued at a fair value of \$12,460 using the following Black-Scholes assumptions: volatility of 105.33%, expected life of 2 years, risk-free interest rate of 4.16% and dividend rate of 0%.

On June 21, 2024, the Company issued:

- 3,350,000 June 2024 FT Warrants; and
- 294,480 finders' warrants, which were valued at a fair value of \$78,704 using the following Black-Scholes assumptions: volatility of 98.99%, expected life of 3 years, risk-free interest rate of 3.75% and dividend rate of 0%.

On December 17, 2024, the Company issued:

- 2,777,778 December 2024 NFT Warrants;
- 770,000 finders' warrants, which were valued at a fair value of \$42,470 using the following Black-Scholes assumptions: volatility of 123.95%, expected life of 2 years, risk-free interest rate of 3.0% and dividend rate of 0%.

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13. Reserves (continued)

Warrants (continued)

As at December 31, 2024, the Company has warrants outstanding and exercisable as follows:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date
5,502,956	2,201,184*	\$ 0.36	July 7, 2028
4,430,151	4,430,151	0.25	August 24, 2026
2,905,500	2,905,500	0.28	April 12, 2026
2,020,000	2,020,000	0.30	April 12, 2026
1,360,673	1,360,673	0.28	May 3, 2026
2,015,000	2,015,000	0.30	May 3, 2026
3,644,480	3,644,480	0.45	June 21, 2027
<u>3,547,778</u>	<u>3,547,778</u>	<u>0.15</u>	December 17, 2026
25,426,538	22,124,764	\$ 0.30	

* 3,301,772 warrants included in the Cascadia Units remained in escrow at December 31, 2024 (Note 12).

14. Related party payables and transactions

For the period from January 1, 2023, to July 7, 2023, the Company's activities were under the direction of the key management personnel of ATAC. The allocation of pro-rata expenses of ATAC to the results of the Company result in the inclusion of a pro-rata portion of ATAC's compensation for its key management personnel.

Key management personnel of ATAC comprised the Chief Executive Officer, Chief Financial Officer, former Chief Operating Officer, Vice-President of Corporate and Project Development, Vice-President of Exploration, Chairman, and directors of the Company. Key management personnel of Cascadia comprise the Chief Executive Officer, Chief Financial Officer, Vice-President of Corporate Development, Vice-President of Exploration, Chairman, and directors of the Company.

For the years ended December 31, 2024, and 2023, the aggregate value of transactions allocated to/incurred by Cascadia with key management personnel and directors and entities over which they have control or significant influence were as follows:

	2024	2023
Salaries	\$ 342,886	\$ 416,834
Directors' fees	28,000	14,000
Management fees	-	12,685
Professional fees	187,972	220,823
Exploration and evaluation expenditures	173,898	133,058
Property examination costs	14,216	11,993
Share-based payments	<u>217,386</u>	<u>90,949</u>
	\$ 964,358	\$ 900,342

As at December 31, 2024, amounts owing to related parties were \$49,095 (2023 - \$47,519). All related party balances are unsecured and are due within thirty days without interest. The Company has also accrued \$11,165 (2023 - \$2,237) in vacation liabilities to related parties.

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15. Income taxes

Income tax recovery for the years ended December 31, 2024 and 2023 vary from the amounts that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	December 31, 2024	December 31, 2022
Loss before income taxes	\$ (5,468,880)	\$ (4,391,814)
Statutory Canadian corporate tax rate	27.0%	27.0%
Anticipated income tax recovery	(1,477,000)	(1,186,000)
Change in tax resulting from:		
Unrecognized items for tax purposes and other	85,000	54,000
Tax benefits to be renounced/renounced on flow-through expenditures	1,033,000	565,000
Share issuance costs	(89,000)	(35,000)
Flow-through premium liability reduction	(56,000)	(152,000)
Spin-out transaction	-	702,000
Adjustment to prior year provision	9,000	-
Change in unrecognized deductible temporary differences	495,000	52,000
Net deferred income tax recovery	\$ -	\$ -

The significant components of the Company's unrecognized deferred income tax asset (recognized deferred income tax liability) are as follows:

	December 31, 2024	December 31, 2023
Mineral property interest	\$ 252,000	\$ 9,000
Equipment	9,000	-
Share issue costs	94,000	28,000
Unrealized losses on marketable securities	17,000	13,000
Non-capital loss carryforwards	818,000	645,000
Tax benefits unrecognized	(1,190,000)	(695,000)
Net deferred income tax asset (liability)	\$ -	\$ -

As at December 31, 2024, the Company has non-capital loss carryforwards of approximately \$1,461,000 (2023 - \$1,337,000) in the United States, and \$1,893,000 (2023 - \$1,291,000) in Canada. Canadian losses will begin to expire from 2043 to 2044.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

16. Supplemental cash flow information

The Company occurred non-cash financing activities during the Years ended December 31, 2024 and 2023 as follows:

	2024	2023
Non-cash financing activities:		
Shares issued pursuant to arrangement agreement	\$ -	\$ 4,825,392
Shares issued for mineral property interests	\$ 20,000	\$ 172,935
Shares issued pursuant to vesting of restricted share units	\$ 18,333	\$ -
Share issuance costs in due to related parties	\$ 29,060	\$ 2,000
Share issuance costs in accounts payable and accrued liabilities	\$ 1,676	\$ -
Fair value of finders' warrants issued	\$ 151,014	\$ -
Expiry of finders' warrants	\$ 57,400	\$ -
Flow through premium liability recognized	\$ 302,388	\$ 592,777

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16. Supplemental cash flow information (continued)

	2024	2023
Non-cash investing activities:		
Exploration and evaluation assets accrued through accounts payable	\$ -	\$ (32,470)
Reclassification of reclamation deposit to receivables	\$ 31,000	\$ -
Marketable securities received as mineral property option payment	\$ -	\$ (180,000)

17. Financial risk management

Capital management

The Company's capital consists of shareholders' equity. The Company is a junior exploration company, and its predominant capital management objective is to ensure its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

The Company currently has no source of revenues. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to raise additional funds from equity markets.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company has no debt and does not expect to enter into debt financing. Other than the aforementioned Transaction, there were no changes to the Company's capital structure during the years ended December 31, 2024, and 2023.

Financial instruments – fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and accounts payable to related parties approximate their fair value because of the short-term nature of these instruments. Marketable securities are valued using Level 1 inputs.

Financial instruments measured at fair value on the Consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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17. Financial risk management (continued)

Financial instruments – risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, liquidity risk, market risk, and currency risk.

a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the funds in Canadian banks or with Canadian governments. The Company's accounts receivable balance carries minimal credit risk, comprising refundable credits due primarily from the Yukon and Canadian Governments as well as interest receivable from Canadian banks.

b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

c) Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments.

d) Currency risk

The Company is exposed to currency risk because it holds funds and receivables in United States Dollars ("USD"), which, because of fluctuating exchange rates can create gains or losses at the time the funds are converted to Canadian dollars. The Company has no control over these fluctuations and does not hedge its foreign currency holdings. Based on its December 31, 2024 USD holdings, every 5% increase or decrease in the exchange rate would have had an insignificant impact on profit or loss before income taxes.

18. Segmented information

As at December 31, 2024 and 2023, the Company's long-term assets are located in Canada.