

IRVING RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2024
(Unaudited)
(Expressed in Canadian Dollars)

IRVING RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2024

Notice of No Auditor Review

The accompanying unaudited condensed interim consolidated financial statements of Irving Resources Inc. for the nine-month period ended November 30, 2024 have been prepared by the Company's management and approved by the Audit Committee and Board of Directors of the Company.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

January 29, 2025

IRVING RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

AS AT

	November 30, 2024	February 29, 2024
ASSETS		
Current assets		
Cash	\$ 2,662,572	\$ 4,734,900
JV Cash	1,954,205	-
Receivables (Note 5)	229,675	7,511
Prepays	<u>846,294</u>	<u>114,823</u>
	5,692,746	4,857,234
Prepays	58,293	64,296
Property and equipment (Note 7)	1,969,092	2,223,624
Exploration and evaluation assets (Note 8)	<u>45,808,418</u>	<u>43,012,585</u>
	<u>\$ 53,528,549</u>	<u>\$ 50,157,739</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 517,453	\$ 393,005
Advances from JV partners (Note 9)	2,617,800	-
Lease liabilities (Note 6)	<u>65,345</u>	<u>133,911</u>
	3,200,598	526,916
Non-current liabilities		
Lease liabilities (Note 6)	<u>56,710</u>	<u>82,025</u>
Total liabilities	<u>3,257,308</u>	<u>608,941</u>
Shareholders' equity		
Share Capital (Note 10)	61,402,773	60,329,147
Reserves (Note 10)	10,046,104	9,807,044
Accumulated Deficit	<u>(21,177,636)</u>	<u>(20,587,393)</u>
	<u>50,271,241</u>	<u>49,548,798</u>
	<u>\$ 53,528,549</u>	<u>\$ 50,157,739</u>

Nature and Continuance of Operations (Note 1)**Subsequent Events** (Note 16)**On behalf of the Board:**"Akiko Levinson"

Director

"Quinton Hennigh"

Director

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

IRVING RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	Nov 30, 2024	Nov 30, 2023	Nov 30, 2024	Nov 30, 2023
EXPENSES				
Consulting fees (Note 11)	\$ 84,515	\$ 64,857	\$ 291,266	\$ 190,889
Depreciation (Note 7)	39,882	43,662	117,962	122,598
Foreign exchange loss (gain)	(80,254)	9,870	(109,872)	243,172
Insurance	7,218	7,572	21,654	22,716
Interest expense on lease liabilities (Note 6)	3,461	4,225	11,330	13,857
Investor relations	15,787	145	26,585	3,308
Management fees (Note 11)	18,000	48,000	54,000	94,000
Office and miscellaneous	10,999	26,070	33,992	53,173
Professional fees	95,369	31,406	272,549	223,651
Regulatory fees	13,770	12,626	49,953	48,873
Salaries and benefits	1,966	1,879	6,015	55,658
Shareholder costs	54	-	8,205	7,841
Share-based compensation (Note 10)	40,894	233,648	239,058	623,309
Telephone	5,323	4,804	15,894	16,500
Transfer agent	4,861	8,194	17,875	16,133
Travel and promotion	14,168	21,930	54,758	106,022
Operating expenses	(276,013)	(518,888)	(1,111,224)	(1,841,700)
Interest income	8,659	59,447	38,071	217,227
Other income	447,160	-	482,910	-
Write-off of exploration and evaluation asset (Note 8)	-	741	-	(39,444)
	<u>455,819</u>	<u>60,188</u>	<u>520,981</u>	<u>117,783</u>
Loss and comprehensive loss for the period	\$ 179,806	\$ (458,700)	\$ (590,243)	\$ (1,663,917)
Basic and diluted loss per common share	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)
Basic and diluted weighted average number of common shares outstanding	75,946,075	73,318,049	75,807,252	69,408,380

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

IRVING RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Based Payment Reserves	Accumulated Deficit	Total Shareholders' Equity
Balance, February 28, 2023	72,366,900	\$ 58,701,039	\$ 8,961,644	\$ (18,382,928)	\$ 49,279,755
Exercise of stock options	66,667	96,085	(29,418)	-	66,667
Private placements	1,429,573	1,479,751	-	-	1,479,751
Share issue costs	-	(1,103)	-	-	(1,103)
Shares issued for mineral property	87,500	53,375	-	-	53,375
Share-based compensation	-	-	623,309	-	623,309
Net loss for the period	-	-	-	(1,663,917)	(1,663,917)
Balance, November 30, 2023	73,950,640	\$ 60,329,147	\$ 9,555,535	\$ (20,046,845)	\$ 49,837,837
Balance, February 29, 2024	73,950,640	\$ 60,329,147	\$ 9,807,044	\$ (20,587,393)	\$ 49,548,798
Private placements	2,740,000	1,096,000	-	-	1,096,000
Share issue costs	-	(22,374)	-	-	(22,374)
Share-based compensation	-	-	239,058	-	239,058
Net loss for the period	-	-	-	(590,243)	(590,243)
Balance, November 30, 2024	76,690,640	\$ 61,402,773	\$ 10,046,102	\$ (21,177,636)	\$ 50,271,239

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

IRVING RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Nine months ended	
	November 30, 2024	November 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (590,243)	\$ (1,663,917)
Adjustments		
Depreciation	117,962	122,598
Interest expense on lease liabilities	11,330	13,857
Share-based compensation	239,059	623,309
Write-down of mineral property	-	39,444
Foreign exchange	(79,990)	(60,493)
Change in non-cash working capital items:		
Receivables	(222,164)	(24,629)
Prepays	(725,468)	50,830
Accounts payable and accrued liabilities	(5,884)	(83,987)
Advances from JV partners (Note 9)	<u>2,617,800</u>	<u>-</u>
Net cash used in operating activities	<u>1,362,402</u>	<u>(982,988)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued	1,096,000	1,546,418
Share issue costs	(22,374)	(1,103)
Payment of lease liabilities	<u>(94,360)</u>	<u>(30,916)</u>
Net cash provided by (used in) by financing activities	<u>979,266</u>	<u>1,514,399</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets, net of recoveries	(2,454,007)	(4,744,197)
Acquisition of equipment	<u>-</u>	<u>(119,911)</u>
Net cash used in investing activities	<u>(2,454,007)</u>	<u>(4,864,108)</u>
Effect of foreign exchange on cash	<u>(5,784)</u>	<u>(2,024)</u>
Change in cash during the period	(118,123)	(4,334,721)
Cash, beginning of the period	<u>4,734,900</u>	<u>10,909,314</u>
Cash and JV cash, end of the period	<u>\$ 4,616,777</u>	<u>\$ 6,574,593</u>

Supplemental disclosure with respect to cash flows (Note 12)

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

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Irving Resources Inc. (the “Company” or “Irving”) was incorporated under the Business Corporations Act (British Columbia) on August 28, 2015, and is listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “IRV”. The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties. The Company’s corporate office is located at 999 Canada Place, Suite 404, Vancouver, BC V6C 3E2.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at November 30, 2024, the Company had working capital of \$2,492,148 (February 29, 2024 – \$4,330,318). Management estimates these funds are sufficient to meet its immediate liquidity requirements as well as those for the next twelve months.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under IFRS Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended February 29, 2024.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Approval of the Condensed Interim Consolidated Financial Statements

These condensed interim consolidated financial statements were reviewed by the Audit Committee and authorized for issue by the Board of Directors on January 29, 2025.

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (cont'd)

Principles of consolidation

The condensed interim consolidated financial statements include the financial statements of the parent company, Irving Resources Inc., and its subsidiaries listed below:

	Jurisdiction	Nature of Operation	Equity Interest
Irving Resources Japan GK (“Irving GK”)	Japan	Exploration	100%
NIRV Resources GK (“NIRV GK”)	Japan	Exploration	100%
Spring Take Limited (“STL”)	Tanzania, Africa	Exploration	100%
Spring Stone Mining Corporation (“SSM”)	BC, Canada	Holding	100%
Spring Stone Exploration Inc. (“SSE”)	BC, Canada	Holding	100%

All inter-company balances and transactions have been eliminated on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

New accounting standards not yet adopted

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

a) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

b) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 10.

c) Going Concern

The Company's assessment of its ability to continue as a going concern requires significant judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

5. RECEIVABLES

As at November 30, 2024, receivables arise mainly from the JV (refer to note 9). Otherwise, the Company's receivables arise from goods and services tax due from Canadian government taxation authorities.

6. LEASES

The Company has various leases for equipment, housing and office space. The leases are treated as right-of-use assets and included in Property and Equipment. The lease liability is presented as a separate line in the consolidated statements of financial position. The related payments are recognized as an expense in the period in which the payment occurs and are included in the consolidated statements of loss and comprehensive loss.

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

6. LEASES (cont'd)

	Nine months ended November 30, 2024	Year ended February 29, 2024
Opening balance	\$ 215,936	\$ 233,212
Additions	-	134,884
Lease payments made	(94,360)	(141,604)
Disposals	(63,137)	-
Interest expense on lease liabilities	11,330	18,851
Foreign exchange adjustment	52,286	(29,407)
	122,055	215,936
Less: current portion	(65,345)	(133,911)
Long-term portion	\$ 56,710	\$ 82,025

The present value of the monthly lease payments was calculated using the financing rate of 10%.

The remaining undiscounted minimum future lease payments, excluding estimated operating costs, for the term of the lease, including assumed renewal periods, are as follows:

	\$
Fiscal 2025	116,704
Fiscal 2026	46,098

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSETS

	Right of Use Assets	Machinery and equipment	Computer equipment	Office furniture and fixtures	Total
Cost					
Balance, February 28, 2023	370,063	2,146,401	27,680	12,383	2,556,527
Disposals	(143,041)	-	-	-	(143,041)
Additions	116,885	435,161	17,597	3,624	573,267
Balance, February 29, 2024	\$ 343,907	\$ 2,581,562	\$ 45,277	\$ 16,007	\$ 2,986,753
Disposals	(63,137)	-	-	-	(63,137)
Balance, November 30, 2024	\$ 280,770	\$ 2,581,562	\$ 45,277	\$ 16,007	\$ 2,923,616
Accumulated depreciation					
Balance, February 28, 2023	171,245	189,541	18,569	5,130	384,485
Disposals	(143,041)	-	-	-	(143,041)
Additions	134,884	377,478	7,125	2,198	521,685
Balance, February 29, 2024	\$ 163,088	\$ 567,019	\$ 25,694	\$ 7,328	\$ 763,129
Disposals	(37,488)	-	-	-	(37,488)
Additions (including FX)	39,383	184,573	3,997	930	228,883
Balance, November 30, 2024	\$ 164,983	\$ 751,592	\$ 29,691	\$ 8,258	\$ 954,524
Carrying amounts					
At February 29, 2024	\$ 180,819	\$ 2,014,543	\$ 19,583	\$ 8,679	\$ 2,223,624
At November 30, 2024	\$ 115,787	\$ 1,829,970	\$ 15,586	\$ 7,749	\$ 1,969,092

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Company's exploration and evaluation assets:

Nine months ended November 30, 2024	Omu Property	Other Properties	Total
Opening balance, February 29, 2024	\$ 39,173,779	\$ 3,838,806	\$ 43,012,585
Additions:			
Assays and sampling	23,755	100,660	124,415
Consulting/management/administration	357,339	729,793	1,087,132
Drilling related	175,948	721,112	897,060
Geophysics/other engineering studies	4,743	9,723	14,466
Materials and supplies	47,974	381,283	429,257
Staking and claims registration	54,868	20,807	75,675
Travel and transportation	<u>26,514</u>	<u>141,314</u>	<u>167,828</u>
	691,141	2,104,692	2,795,833
Total, exploration and evaluation assets, November 30, 2024	\$ 39,864,920	\$ 5,943,498	\$ 45,808,418
<hr/>			
Year ended February 29, 2024	Omu Property	Other Properties	Total
Opening balance, February 28, 2023	\$ 34,439,511	\$ 2,142,922	\$ 36,582,433
Additions:			
Acquisition costs	-	55,688	55,688
Assays and sampling	434,936	14,257	449,193
Consulting/management/administration	1,566,222	540,097	2,106,319
Drilling related	1,439,046	338,577	1,777,623
Geophysics/other engineering studies	37,965	34,584	72,549
Materials and supplies	684,740	368,162	1,052,902
Staking and claims registration	44,574	(5,852)	38,722
Travel and transportation	<u>526,785</u>	<u>398,190</u>	<u>924,975</u>
	4,734,268	1,741,703	6,477,971
Less: write-down of deferred exploration costs	<u>-</u>	<u>(47,820)</u>	<u>(47,820)</u>
Total, exploration and evaluation assets, February 29, 2024	\$ 39,173,779	\$ 3,838,806	\$ 43,012,585

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATIONS ASSETS (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to all of the assets is in good standing.

a) Omu and other Properties

During the year ended February 28, 2023, the Company issued 87,500 common shares with a value of \$65,625 as part of the share issuance due on the second anniversary of a binding option agreement to acquire the 5.2km Yamagano mining licence. During the year ended February 29, 2024, the Company issued 87,500 common shares with a value of \$53,375 as part of the share issuance due on the third anniversary.

During the years ended February 28, 2023, and February 29, 2024, the Company wrote-down the carrying value on certain claims comprising the Eniwa and Shimokawa projects as it withdrew its application for these prospecting licenses.

b) Tanzania Property

As at February 29, 2024, the Company is in the process of winding up the subsidiary in Tanzania. The carrying value of properties in Tanzania is \$Nil (2024 - \$nil).

9. JOINT VENTURES

In October 2024, the Company entered into an agreement with Newmont Overseas Exploration Limited (“Newmont”), a wholly-owned subsidiary of Newmont Corporation, and Sumitomo Corporation (“Sumitomo”) in respect of the formation of a joint venture over the Company’s Yamagano and Noto properties (the “JV”). The initial interests of the parties in the joint venture are Newmont as to 60%, Irving as to 27.5% and Sumitomo as to 12.5%. Irving GK is the initial manager of the JV. Newmont has the right to assume the responsibilities of manager at any time.

As at November 30, 2024, the corporate entity under which the JV will be managed had yet to be incorporated. As a result, during the same period, Newmont and Sumitomo advanced ¥205,391,721 (\$1,918,359) in aggregate to Irving GK, and Irving advanced ¥74,886,683 (\$699,442) to Irving GK in order to fund JV exploration. Funding advances from Newmont and Sumitomo are recorded as current liabilities under “advances from JV partners”, and the funding advance from Irving is recorded as a current asset under “prepaid expenses”. Cash held by Irving GK on behalf of the JV is recorded as a current asset under “JV cash”.

During the period ended November 30, 2024, Irving GK earned management fees of ¥16,343,485 (\$152,648) as the JV manager which are recognized as other income.

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY*Authorized*

Unlimited number of common shares without par value.

During the period ended November 30, 2024, the Company completed a non-brokered private placement by issuing 2,740,000 units (each, a "Unit") at a price of \$0.40 per Unit to raise gross proceeds of \$1,096,000. Each Unit is comprised of one common share of the Company (each, a "Share") and one-half of one transferable Share purchase warrant, with each whole Share purchase warrant entitling the holder to purchase one Share for a period of three years at a price of \$0.55 per Share.

During the year ended February 29, 2024, the Company:

- a) issued 66,667 shares for gross proceeds of \$66,667 pursuant to the exercise of stock options.
- b) completed a private placement on July 7, 2023, issuing 1,429,573 common shares for gross proceeds of \$1,479,751 at a price of \$1.04 per common share.
- c) issued 87,500 common shares valued at \$0.61 per share pursuant to the terms of a mineral property agreement. See Note 8.

Stock options

The Company, in accordance with its stock option plan, is authorized to grant options to directors, employees and consultants, to acquire up to 10% of its issued and outstanding common stock. The exercise price of each option shall not be less than the market price of the Company's stock on the date of grant. The options can be granted for a maximum term of ten years with vesting period determined by the board of directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, February 28, 2023	5,190,000	1.82
Granted	2,105,000	0.95
Exercised	(66,667)	1.00
Expired / Cancelled	(1,710,000)	3.32
Outstanding, February 29, 2024	5,518,333	\$1.03
Expired / Cancelled	(1,128,333)	1.13
Outstanding, November 30, 2024	4,390,000	\$1.00

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd...)

Stock options outstanding at November 30, 2024 are as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
		\$	
1,190,000	1,190,000	1.09	December 21, 2024
1,210,000	1,210,000	1.00	September 12, 2025
210,000	210,000	1.30	April 10, 2026
1,680,000	1,120,000	0.91	September 7, 2026
50,000	16,667	0.91	December 12, 2026
50,000	-	0.91	July 9, 2027
4,390,000	3,116,667		

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Opening balance, February 28, 2023 and February 29, 2024	-	\$ -
Granted	1,487,270	1.60
Outstanding, February 29, 2024	1,487,270	\$ 1.60
Granted	1,370,000	\$ 0.55
Outstanding, November 30, 2024	2,857,270	\$ 1.10

Warrants outstanding at November 30, 2024 are as follows:

Number of Warrants	Exercise Price	Expiry Date
1,487,270	\$ 1.60	July 12, 2025
1,370,000	\$ 0.55	June 25, 2027

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd...)**Share-based compensation**

During the period ended November 30, 2024, the Company granted 50,000 stock options to an employee with an estimated weighted average fair value of \$0.14 (2023 – 220,000 with an estimated weighted average fair value of \$0.66). The total amount of fair value of vested stock options amortized during the period is \$239,058 (2023 - \$623,309). This amount has been expensed as share-based compensation in the statement of loss and comprehensive loss.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	Nine months ended November 30, 2024	Nine months ended November 30, 2023
Risk-free interest rate	3.76%	3.53% - 4.36%
Expected life of options	3.0 years	3.0 years
Annualized volatility	89.87%	75.15% - 81.56%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

11. RELATED PARTY TRANSACTIONS

	Nine months ended November 30, 2024	Nine months ended November 30, 2023
Management fees	\$ 144,000	\$ 140,200
Consulting fees	201,242	247,932
	\$ 345,242	\$ 388,132

- Included in the management fees were fees for services provided by the President and Chief Executive Officer and Chief Financial Officer.
- Included in consulting fees are amounts paid to independent directors for services other than their role as directors, including amounts capitalized to exploration and evaluation assets.
- During the period, nil (2023 – nil) stock options were granted to directors and officers. The total vested share-based compensation allocated to directors and officers is \$19,815 (2023 - \$90,223).

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (cont'd...)**Key Management Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the periods ended November 30, 2024 and 2023.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the period ended November 30, 2024:

- a) Included in accounts payable and accrued liabilities are \$357,652 related to deferred exploration costs.
- b) Capitalized depreciation of \$211,494.

The significant non-cash transactions for the period ended November 30, 2023:

- c) Included in accounts payable and accrued liabilities are \$246,913 related to deferred exploration costs.

13. SEGMENTED INFORMATION

The Company has one reportable segment being acquisition and exploration of mineral properties. The Company's mineral properties and property and equipment located geographically as follows:

As at November 30, 2024	Property and equipment	Exploration and evaluation assets
Canada	\$ 3,347	\$-
Japan	<u>1,965,745</u>	<u>45,808,418</u>
Total	<u>\$ 1,969,092</u>	<u>\$ 45,808,418</u>

As at February 29, 2024	Property and equipment	Exploration and evaluation assets
Canada	\$ 22,159	\$-
Japan	<u>2,201,465</u>	<u>43,012,585</u>
Total	<u>\$ 2,223,624</u>	<u>\$ 43,012,585</u>

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at November 30, 2024, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities and lease liabilities. The carrying value of accounts payable and accrued liabilities approximate its fair value due to the relatively short period to maturity of this financial instrument. Lease liabilities are accreted over lease terms at market interest rates using the effective interest rate method.

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and receivables.

The Company's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at November 30, 2024, the Company had cash and JV cash of \$4,616,777 to settle current liabilities of \$3,200,598 of which a significant amount has contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

IRVING RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended November 30, 2024

(Unaudited)

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of rare earth elements and other non-gold minerals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Company's functional currency is the Canadian dollar. The Company funds certain operations, exploration and administrative expenses by using US Dollars and Japanese Yen converted from its Canadian bank accounts. Management is aware of the possibility of foreign exchange risk derived from currency conversions. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign exchange rate risk at this time.

15. CAPITAL MANAGEMENT

The Company considers items in its shareholders' equity as capital. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's property exploration plans and to ensure the growth of activities.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is in the exploration stage; as such the Company will rely on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

There were no changes to the Company's approach to capital management during the period ended November 30, 2024.

16. SUBSEQUENT EVENTS

On December 21, 2024, 1,190,000 options exercisable at \$1.09 expired unexercised.