VVC EXPLORATION CORPORATION

CONSOLIDATED FINANCIAL STAYEMENTS

Years ended January 31, 2025 and 2024

and

MANAGEMENT'S DISCUSSION AND ANALYSIS

for same period

VVC EXPLORATION CORPORATION

Consolidated Financial Statements
Years ended January 31, 2025 and 2024

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To the Shareholders of VVC Exploration Corporation:

Opinion

We have audited the consolidated financial statements of VVC Exploration Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2025 and January 31, 2024, and the consolidated statements of loss and comprehensive income, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2025 and January 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had a working capital deficiency and an accumulated deficit as at January 31, 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 matters described below to be the key audit matters to be communicated in our report.

Valuation of Investment

Key Audit Matter Description

The Company holds 7,864,743 shares of Cyber App Solutions Corp. ("Cyber App") which are measured at fair value and are remeasured at each reporting date with gains or losses reflected in other comprehensive income (loss). The calculation of the fair value involves significant judgements including Level 2 inputs which increases the complexity of the estimate. Due to the significant judgement involved in determining the fair value of the investment, we consider this to be a key audit matter. Refer to Note 2 Summary of Material Accounting Policies and Note 5 Investment of the consolidated financial statements.

Audit Response

We responded to this matter by performing audit procedures relating to the valuation of the investment. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained a confirmation directly from Cyber App, confirming the total number of shares held by the Company and the details of the most recent private placement.
- With the assistance of internal valuation specialists, evaluated the reasonability of management's valuation of the investment in Cyber App and the appropriateness of the inputs used in the valuation, and recalculated the fair value.
- Assessed the appropriateness of the related disclosures.

Other Information

Management is responsible for the other information. The other information comprises 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 audits 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 audits 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 on this other information, 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 as issued by the International Accounting Standards Board, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario | Chartered Professional Accountants

May 30, 2025 | Licensed Public Accountants

VVC Exploration Corporation
Consolidated Statements of Financial Position

January 31,		2025		2024
Assets				
Current assets				
Cash	**$**	**7,393**	$	3,263,929
Deposits and other receivables (Note 4)		**23,230**		90,954
		30,623		3,354,883
Investment (Note 5)		**34,994,960**		13,560,543
Property and Equipment (Note 6)		**1,658,293**		1,683,688
	$	**36,683,876**	$	18,599,114
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	**$**	**2,574,567**	$	1,643,033
Loan payable (Note 8)		**2,232,000**		2,130,814
Deferred royalty receipts (Note 9)		**4,942,621**		4,572,620
Exploration obligation (Note 10)		**282,251**		603,068
		10,031,439		8,949,535
Asset retirement obligation (Note 12)		**317,703**		281,810
Deferred tax liability (Note 18)		**987,001**		-
		11,336,143		9,231,345
Shareholders' equity (deficit)				
Share capital (Note 13 (b))		**47,286,340**		47,286,340
Contributed surplus (Notes 13 (c) and 13 (d))		**15,136,816**		14,654,796
Accumulated other comprehensive income		**29,785,527**		11,528,869
Deficit		**(66,860,950)**		(64,102,236)
		25,347,733		9,367,769
	$	**36,683,876**	$	18,599,114

Going Concern (Note 1)

Approved by the Board

Director

Director

VVC Exploration Corporation

Consolidated Statements of Loss and Comprehensive Income

For the Years Ended January 31,	**2025**	2024
Revenue (Note 19)	**$ 100,320**	$ 30,314
Expenses		
Mineral property expenses (Notes 9 and 10)	**3,846,222**	2,164,177
Stock-based compensation (Note 13)	**482,020**	419,703
Management and consulting fees	**886,426**	813,457
Professional fees	**366,772**	231,381
Investor relations	**5,378**	210,210
Interest and accretion expense (Notes 8 and 12)	**166,630**	212,107
Office and sundry	**254,532**	109,288
Listing and transfer fees	**15,900**	13,925
Rent	**34,616**	31,184
Travel and promotion	**71,974**	72,168
Telephone	**5,405**	6,740
Depreciation (Note 6)	**89,959**	104,137
Bank charges	**2,057**	11,474
	6,227,891	4,399,951
Loss before the undernoted:	**(6,127,571)**	(4,369,637)
Loss on debt extinguishment (Note 10)	**-**	(178,190)
Loss before income taxes	**(6,127,571)**	(4,547,827)
Income tax recovery (Note 18)	**2,125,362**	2,600,000
Net loss for the year	**(4,002,209)**	(1,947,827)
Basic and diluted loss per share (Note 14)	**$ (0.01)**	$ 0.00

Consolidated Statements of Comprehensive Income

Net loss	**$ (4,002,209)**	$ (1,947,827)
Exchange adjustment	**(255,903)**	63,838
FVTOCI, net of income taxes	**19,756,056**	17,530,563
Net comprehensive income for the year	**$ 15,497,944**	$ 15,646,574

VVC Exploration Corporation

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

As at January 31,	**2025**	2024
Share Capital (Note 13)		
Balance, opening	**$ 47,286,340**	$ 47,286,340
Balance	**47,286,340**	47,286,340
Contributed Surplus		
Balance, opening	**14,654,796**	13,717,902
Stock-based compensation (Note 13)	**482,020**	419,703
Fair value of warrants issued on debt settlement (Note 10)	**-**	517,191
Balance	**15,136,816**	14,654,796
Accumulated Other Comprehensive Income		
Beginning balance	**11,528,869**	(348,599)
Change in foreign exchange	**(255,903)**	63,838
Reclassified gain on investment sold, net of income taxes (Note 5)	**(1,243,495)**	(5,716,933)
Unrealized gain on investment (Note 5)	**19,756,056**	17,530,563
Balance	**29,785,527**	11,528,869
Deficit		
Balance, opening	**(64,102,236)**	(67,871,342)
Net loss	**(4,002,209)**	(1,947,827)
Reclassified gain on investment sold, net of income taxes (Note 5)	**1,243,495**	5,716,933
Balance	**(66,860,950)**	(64,102,236)
Total shareholders' equity	**$ 25,347,733**	$ 9,367,769

VVC Exploration Corporation
Consolidated Statements of Cash Flows

For the Years Ended January 31,	**2025**	2024
Cash flow from operating activities		
Loss for the year	**$ (4,002,209)**	$ (1,947,827)
Items not affecting cash:		
Depreciation (Note 6)	**89,959**	104,137
Recovery of income taxes (Note 18)	**(2,125,362)**	(2,600,000)
Stock-based compensation (Note 13)	**482,020**	419,703
Interest and accretion expense	**171,210**	58,235
Unrealized loss on foreign exchange	**167,464**	-
Exploration obligation	**(369,615)**	-
Non-cash mineral property expense	**323,278**	-
Loss on extinguishment of debt	**-**	178,190
	(5,263,255)	(3,787,562)
Change in non-cash working capital:		
Deposits and other receivable	**67,724**	(68,011)
Accounts payable and accrued liabilities	**764,904**	142,048
	(4,430,627)	(3,713,525)
Cash flow from investing activities		
Proceeds from the sale of investment (Note 5)	**1,119,002**	6,593,500
Deferred royalty receipts	**-**	201,585
	1,119,002	6,795,085
Cash flow from financing activities		
Advance (repayment) of Loan payable	**(69,000)**	66,985
	(69,000)	66,985
Effects of changes in foreign exchange	**124,089**	65,502
Change in cash	**(3,256,536)**	3,214,047
Cash, beginning of year	**3,263,929**	49,882
Cash, end of year	**$ 7,393**	$ 3,263,929
Supplemental cash flow information		
Debt extinguishment (Note 10)	**$ -**	$ 339,001

1. NATURE OF OPERATIONS AND GOING CONCERN

VVC Exploration Corporation (the "Company") was incorporated on April 11, 1983 under the Company Act (British Columbia) and in August 2003, was continued federally under the Canada Business Corporations Act. The Company's principal business activities include the exploration and development of helium, natural gas and precious metals mineral properties in Canada, the United States and Mexico.

For the Company's exploration stage mineral properties, the Company is in the process of exploration and has not yet determined whether they contain economically recoverable reserves. The recoverability of amounts shown for exploration stage mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, maintenance of the Company's interest in the underlying mineral claims and leases and upon future profitable production from or the proceeds from the disposition of its mineral properties.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. As at January 31, 2025, the Company has an accumulated deficit of $(66,860,950) and working capital of $(10,000,816). The working capital is not considered sufficient to settle the Company's current liabilities and pay for its operating activities over the next 12 months.

Due to these circumstances, there exists a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements were approved by the Board of Directors on May 30, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS(R) Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC(R) Interpretations of the IFRS(R) Interpretations Committee

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of the consolidated financial statements in accordance with IFRS(R) requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below:

Basis of presentation and consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, VVC Exploracion de Mexico, S. de R.L. de C.V., Samalayuca Cobre S.A de C.V. ("Samalayuca"), both incorporated under the laws of Mexico, Camex Mining Development Group Inc. ("Camex"), a company incorporated under the laws of Canada, Plateau Helium Corporation and Plateau Operating Corporation (collectively "PHC"), both incorporated under the laws of Wyoming and, Plateau Helium Syracuse I LP and Plateau Helium Syracuse 2 LP, both incorporated under the laws of Wyoming. All intercompany transactions and balances have been eliminated upon consolidation.

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

Financial assets held with an objective to hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest are measured at amortised cost using the effective interest method. Investments held with an objective to hold the assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of fair value are measured at fair value through other comprehensive income (" FVTOCI") as per irrevocable election made by the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

All other financial assets are classified and measured at fair value through profit or loss ("FVTPL"). Financial liabilities are classified as either FVTPL or other financial liabilities, and the portion of the change in fair value that relates to the Company's credit risk is presented in other comprehensive income. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL or FVOCI, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in consolidated statements of loss and comprehensive income.

Expected Credit Losses
The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The Company's only financial assets subject to impairment are cash and note receivable which are measured at amortized cost. The Company has elected to apply the simplified approach on impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent years if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors.

Derecognition

Financial assets
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities
A financial liability is derecognized from the balance sheet when it is extinguished, that is, when the obligation specified in the contract is either discharged, cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognized in profit or loss.

The Company's financial instruments include cash, investment, accounts payable and accrued liabilities, payable on asset purchase and loan payable.

Below is a summary showing the classification and measurement basis of the Company's financial instruments under IFRS 9:

Financial Assets	
Cash	Amortized cost
Helium and gas receivables	Amortized cost
Investment	FVTOCI
Financial Liabilities	
Accounts payable	Amortized cost
Payable on asset purchase	Amortized cost
Loan payable	Amortized cost

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Convertible debentures are accounted for as a compound financial instrument with a debt component and a separate equity component. The debt component of these compound financial instruments is measured at fair value on initial recognition by discounting the stream of future interest and principal payments at the rate of interest prevailing at the date of issue for instruments of similar term and risk. The debt component is subsequently deducted from the total carrying value of the compound instrument to derive the equity component. The debt component is subsequently measured at amortized cost using the effective interest rate method. Interest expense based on the coupon rate of the debenture and the accretion of the liability component to the amount that will be payable on redemption are recognized through profit or loss as accretion.

Revenue recognition
Revenue is accounted in accordance with IFRS 15. The Company classifies its revenues as being earned from sales of royalty interest (participation units), helium and other natural gasses. Revenue is measured based on the consideration specified in the contracts that the Company has with its customers. The Company recognizes revenue when it transfers control of the product to the buyer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the delivery mechanism agreed with the customer, including pipelines or other transportation methods.

Mineral properties
Mineral property acquisition costs and related direct exploration and development expenditures, net of recoveries, are charged to the consolidated statements loss and comprehensive income. Mineral property expenses include any cash consideration paid, and the fair market value of shares issued, if any, on the acquisition of property interests.

Property and Equipment
Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive income. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company provides for depreciation of its property and equipment at the following methods and annual rates:

Machinery and equipment	Straight Line, 10 years
Pipeline	Straight Line, 20 years

Share Capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

Proceeds received on the issuance of units, consisting of common shares and share purchase warrants, are allocated to common shares and warrants on a relative fair value basis whereby the common shares are valued based on the quoted market price of the common shares at the time the units are issued, and the share purchase warrants are valued using the Black-Scholes option pricing model.

Asset Retirement Obligation
The Company recognizes liabilities for constructive or legislative and regulatory obligations, including those associated with the reclamation of mineral properties and oil and gas properties when those obligations result from the acquisition, development or normal operation of assets. Provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for accretion expense, and is adjusted for changes to the current market-based risk-free discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The associated restoration costs are capitalized or expensed on a case by case basis. If capitalized, the amount forms part of the carrying amount of the related long-lived asset and depreciated over the expected useful life of the asset. If expensed, the amount is charged as exploration costs. The obligation is released when the property is no longer generating revenues and the property is restored to its original state.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Stock-based compensation
Stock options and warrants awarded to non-employees are accounted for using the fair value of the instrument awarded or service provided whichever is considered more reliable. Stock options and warrants awarded to employees are accounted for using the fair value method. The fair value of such stock options and warrants granted is recognized as an expense on a proportionate basis consistent with the vesting features of each tranche of the grant. The fair value is calculated using the Black-Scholes option pricing model with assumptions applicable at the date of grant.

Loss per share
Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year after giving effect to potentially dilutive financial instruments. The dilutive effect of stock options and warrants is determined using the treasury stock method.

Income taxes
Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting year, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting year and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting year end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Foreign exchange
These audited consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company's Mexican subsidiaries, including the recently acquired Samalayua is the Mexican Peso ("MXN"). The functional currency of PHC is the U.S dollar ("US").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of operations and deficit. Assets and liabilities of entities with functional currencies other than Canadian dollars are translated into the presentation currency at the year end rates of exchange, and the results of their operations are translated at average rates of exchange for the respective year. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are not expected to be repaid in the foreseeable future are included in accumulated other comprehensive income. Elements of equity are translated at historical rates.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Measurement uncertainty and significant judgements

The preparation of the consolidated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those reported.

Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, valuation of the investment (note 5), stock-based compensation (note 15), estimation of the exploration obligation (note 10), valuation of payable on asset purchase (note 10), impairment of long lived assets (note 6) and asset retirement obligation (note 12).

Investment Valuation
The investment is measured at fair value through other comprehensive income as per an irrevocable election made by the Company. Determining the fair value of the investment requires the Company to determine the most appropriate fair value input using the fair value hierarchy.

Option Valuation
The Black-Scholes option valuation model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options. This model requires the input of highly subjective assumptions including future stock price volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants granted during the year.

Going Concern
The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1 of the consolidated financial statements.

Impairment of Long Lived Assets
When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Asset Retirement Obligation
Accounting for restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with existing laws, regulations and agreements in place related to the restoration sites and any environmental and social principles with which the Company complies. The calculation of the present value of these costs also includes assumptions regarding the timing of restoration and remediation work, applicable risk free interest rate for discounting those future cash outflows, inflation and foreign exchange rates. Actual costs incurred may differ from those amounts estimated.

3. RECENT ACCOUNTING PRONOUNCEMENTS

There were no recent accounting pronouncements that are considered to have an impact on the Company's operations or financial statements.

4. DEPOSITS AND OTHER RECEIVABLES

		2025		2024
Helium and gas receivables.	**$**	**-**	$	28,082
Sales tax recoverable		**17,506**		57,146
Prepaid expenses		**5,724**		5,726
Balance	**$**	**23,230**	$	90,954

5. INVESTMENT

In 2022, the Company acquired a 19% interest in Proton Green LLC ("Proton Green"), a limited liability Company in the State of Wyoming for $23,480. The Company does not have control or significant influence over Proton Green. Proton Green's primary purpose is the collection and storage of carbon emissions in an effort to aid in the reduction of US carbon emissions, helium sales and sales of food grade CO^2. The Company intends to hold the majority of its investment in Proton Green for the long-term. The investment is measured at fair-value and will be remeasured at each reporting date with gains or losses reflected in other comprehensive income.

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for $6,593,500 (USD$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company held an 11.91% in Proton Green. The Company recognized a gain through OCI of $5,716,933 net of income taxes.

On July 28, 2023, Proton Green signed a definitive share exchange agreement with Cyber App Solutions (Ticker: CRYB). Upon closing the transaction, Proton Green became publicly traded by a reverse take over of Cyber App Solutions. The Company received 8,097,660 shares of Cyber App Solutions in exchange for its interest in Proton Green.

During the year ended January 31, 2024, the Company recognized an unrealized gain through OCI of $17,530,563 net of income taxes of $2,600,000.

During the year ended January 31, 2025, the Company sold 232,917 shares of Cyber App Solutions for $1,434,002 (US$1,020,002) and recognized a gain through OCI of $1,243,495 net of income taxes.

The Company's 7,864,743 shares of Cyber App Solutions are carried at $34,994,960 (2024 - $13,560,543) on the consolidated statements of financial position. The value of the shares were determined based on the most recent sale of the shares to arms length parties for $4.45 (USD$3.09) per share. Due to the sale of shares by the Company and other dilution, the Company currently holds less than a 10% interest in Cyber App Solutions. The shares are remeasured through FVOCI.

During the year ended January 31, 2025, the Company recognized an unrealized gain through OCI of $19,756,056 net of income taxes of $3,112,363.

6. PROPERTY AND EQUIPMENT

Cost	**Pipeline**	**Equipment**	**Total**
Balance, February 1, 2023	$ 1,487,596	$ 265,738	$ 1,753,334
Effect of exchange rate changes	47,143	-	47,143
Balance, January 31, 2024	1,534,739	265,738	1,800,477
Effect of exchange rate changes	62,439	2,125	64,564
Balance, January 31, 2025	1,597,178	$ 267,863	1,865,041
Accumulated Depreciation			
Balance, February 1, 2023	-	12,652	12,652
Depreciation	73,695	30,442	104,137
Balance, January 31, 2024	73,695	43,094	116,789
Depreciation	76,539	13,420	89,959
Balance, January 31, 2025	150,234	56,514	206,748
Carrying Amounts			
At January 31, 2024	$ 1,461,044	$ 222,644	$ 1,683,688
At January 31, 2025	$ 1,446,944	$ 211,349	$ 1,658,293

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities	2025	2024
Other trade payables	**$ 109,660**	$ 212,502
Payables related to mineral properties	**1,813,659**	1,178,050
Amounts payable to related parties	**651,248**	252,481
Accounts payable and accrued liabilities	**$2,574,567**	$1,643,033

8. LOAN PAYABLE

(i) In 2022, the Company raised US$1,500,000 (CA$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The loan matured on May 31, 2024 and is currently due. The loan was assumed by the CEO and the President of the Company on the same terms.

(ii) In 2022, the Company received a short-term demand loan of US$50,000 (CA$67,500) from Plateau Oil and Gas Co. Limited, a Company in Kansas controlled by an officer of PHC. This short-term loan is due on demand. There are no other repayment terms. The short-term demand loan was repaid during the period.

(iii) In 2024, the Company received a short-term demand loan of US$50,000 (CA$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment terms. The loan was assumed by the CEO and the President of the Company on the same terms.

Accounts payable and accrued liabilities include $324,611 (2024 - $157,981) of accrued interest related to these loans.

9. DEFERRED ROYALTY RECEIPTS

PHC is the general partner of Plateau Helium Syracuse LLP 2 ("Syracuse 2"). Syracuse 2 raised net proceeds of US$3,252,500 ($4,741,036) through the sale of participation units to certain limited partners. Participation units represent interests in drilled wells. The limited partners are entitled to 34% royalty on net revenues from the first 20 wells of the Syracuse 2 Project. The Syracuse 2 project is a cumulative 21,067 acre project. The funds raised by Syracuse 2 were transferred to PHC as the general partner to operate the Syracuse Project.

PHC is the general partner of Plateau Helium Corporation Kansas Oil Project, LP ("Kansas Oil Project LP"). Kansas Oil Project LP raised net proceeds of US$150,000 ($201,585) through the sale of participation units to certain limited partners. Participation units represent interests in drilled oil wells.

The receipts from the sale of participation units will be recognized over time as wells are drilled on the Syracuse 2 project and the Kansas Oil Project respectively. When recognized, the receipts will be allocated against the mineral property expenses on the consolidated statements of loss and comprehensive income. Any excess receipts will be allocated as a gain on the sale of interest in wells.

10. ASSET ACQUISITION AND PAYABLE ON ASSET PURCHASE

Samalayuca

Prior to November 2, 2020, the Company owned 45,000 common shares of Samalayuca which represented a 33.75% interest in Samalayuca, a mineral exploration company based in Mexico. The Company determined that it exercised significant influence but not control over Samalayuca and accounted for its investment in Samalayuca's shares using the equity method. On November 2, 2020, the Company acquired the remaining 66.25% (88,333 common shares) of Samalayuca for consideration of $4,074,108, payable in cash of $990,000 and the issuance of 27,200,000 shares at $0.06 per share and 32,500,000 warrants of the Company. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of CA$0.06 per share until November 2, 2025. The Company has control over 100% of the asset.

10. ASSET ACQUSITIONS AND PAYABLE ON ASSET PURCHASE (Continued)

The Company paid US $350,000 (CA $463,000) since the closing of the transaction with US $400,000 (CA $528,000) due within 19 months following the receipt of proceeds from the first sales of copper from the Samalayuca copper mine.

On December 30, 2023, the Company agreed to settle the debt through the issuance of 10,000,000 share purchase warrants at an exercise price $0.06 per warrant. Each warrant is exercisable into common shares of the Company.

The fair value of the 10,000,000 share purchase warrants was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk-free interest rate of 3.17%, volatility of 128.9% and estimated life of 5 years. The estimated fair value assigned to the warrants was $517,191.

The carrying value of the debt on the date of settlement was $339,001. The debt extinguishment resulted in a loss on debt extinguishment of $178,190.

Exploration Obligation

PHC is the general partner of Plateau Helium Syracuse LLP. Prior to the acquisition, Plateau Helium Syracuse LLP raised $1,792,000 (US$1,400,000) through the issuance and sale of participation units to certain limited partners. The limited partners are entitled to 28% royalty on net revenues from the first 10 wells of the Syracuse Project. The funds raised by Plateau Helium Syracuse LLP were transferred to PHC as the general partner to operate the Syracuse Project. Therefore, on acquisition, VVC inherited an obligation to drill these wells. The fair value of the costs to fulfill this obligation is $282,251 (2024 - $603,068) and is measured under Level 3 of the fair value hierarchy based on the Company's own historical drilling costs adjusted for inflation. As at January 31, 2025 and 2024, the Company had drilled nine (9) wells of the 10 well obligation. The remaining one (1) well is expected to be drilled within one year.

Cumeral, Mexico

In April 2010, the Company finalized an agreement which provides an option to acquire a 100% interest in the 685 hectare gold mining project known as Cumeral (the "Cumeral Property"), consisting of three mining concessions in the State of Sonora, Mexico. The 100% interest in the Cumeral Property can be acquired for cash consideration of US$800,000 (CA$880,000) plus applicable taxes ("VAT"), payable over a year of three years and the issuance of 200,000 common shares of the Company (issued). The Cumeral Property is subject to the reservation of a 2% Net Smelter Return ("NSR"). A finder’s fee of US$5,000 (CA$5,500) and 130,000 common shares of the Company was paid to third parties who were instrumental in arranging the transaction. The Company has a 100% interest in three additional mining concessions in the Cumeral area of Mexico.

La Tuna, Mexico

In March 2010, the Company completed the acquisition of a 3,533 hectare gold mining project known as La Tuna, located in the municipality of Alamos in the State of Sinaloa, Mexico. The Company acquired a 100% interest in La Tuna for cash consideration of US$40,000 (CA$39,968) plus VAT and 300,000 common shares of the Company. La Tuna is subject to the reservation of a 2% NSR with a buy-back option. Further exploration is warranted subject to the results of analysis of rock and soil samples. During the year ended January 31, 2025, Management determined that it would no longer pursue an interest in the La Tuna property. The claim was therefore dropped.

Samalayuca

Through its 100% investment in Samalayuca (33.75% prior to November 2, 2020), the Company has an interest in the Samalayuca Copper Project, located in Chihuahua State, Mexico. Samalayuca has entered into a Mining Exploration and Rights Assignment Contract to acquire a 100% interest in the Kaity Property, which includes the Samalayuca Copper Project, for aggregate payments of US$1,875,000 (CA$2,062,500) with payments of US$25,000 (CA$27,500) due every six months during the exploration phase.

PHC Helium Resource Properties

PHC’s first project is located in Kansas and currently comprises 69 leases covering 13,760 acres known as the Syracuse Helium Project (the "Syracuse Project”). The property (the "Syracuse Property") on which the Syracuse Project is located hosts more than 150 potential well sites.

On April 6, 2021, the Company acquired the helium property known as the Monarch Lease. The Monarch Lease was purchased from Monarch Petroleum ("MP") at a nominal cost and a commitment to recommence production, with MP retaining a 3% royalty in the shallow well rights from surface to 3100 feet (the "Shallow Rights") and a 50% non-operated working interest in the deep oil and gas rights below 3100 feet (the "Deep Rights"). In addition to the 3% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production.

10. ASSET ACQUSITIONS AND PAYABLE ON ASSET PURCHASE (Continued)

On April 28, 2021 the Company began acquiring the Syracuse Extension in Kansas and Colorado. The Syracuse Extension currently consists of a 17,747 acre gas property located in Cheyenne County, Colorado and a 3,320 acre property located in Kansas. The Syracuse Extension was acquired at a nominal cost and a commitment to commence production, with the seller retaining a 2% royalty in this property. In addition to the 2% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. PHC owns a 100% working interest in the Syracuse Extension, subject only to the royalties.

11. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation to key management personnel were as follows:

		2025		2024
Compensation	**$**	**579,000**	$	497,475
Share-based payments [(1)]		**351,930**		289,963
Total	**$**	**930,930**	$	787,438

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the year (Note 13).

Included in accounts payable and accrued liabilities is $651,248 (2024 - $252,481) payable to key management personnel.

During the year ended January 31, 2025, the Company paid or accrued $18,000 (2024 - $18,000) in fees to a firm controlled by a director for legal services.

12. ASSET RETIREMENT OBLIGATION

The Company has site restoration obligations related to its oil and gas properties upon the cessation of revenue producing activities. The undiscounted cost to return the environment associated with each well to their original condition is estimated to be USD$12,000 (2024 - US$12,000). As of January 31, 2025 and 2024, the Company had 17 and 16 wells respectively expected to be closed between 5 to 20 years. The undiscounted cost of the environmental restoration for pipeline related assets is $100,000. The provision is initially recorded as a liability based on management's best estimate of cash flows, using a risk-free discount rate of 3.52% (2024 - 2.88%) and a producing life ranging between five and twenty years. Site restoration activity is expected to occur when a producing well has been fully depleted. The following table summarizes the movements in asset retirement obligations:

Balance, February 1, 2023	$ 280,341
Accretion	4,109
Effect of exchange rate changes	(2,640)
Balance, January 31, 2024	281,810
Estimates - new wells drilled	8,278
Accretion	4,580
Effect of exchange rate changes	23,035
Balance, January 31, 2025	$ 317,703

13. SHARE CAPITAL

(a) Authorized
Unlimited common shares without par value

(b) Issued:

	Number of shares		Amount
Balance, January 31, 2024 and 2025	572,681,815	$	47,286,340

(c) Stock Options

The Company grants options pursuant to the policies of the TSX Venture Exchange with respect to eligible persons, exercise price, maximum options per person and termination of eligible person status. Options granted vest as to 25% upon grant and 25% each six months thereafter.

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

	Number of Options		Weighted average Exercise Price
Balance, January 31, 2023	69,275,000		0.07
Granted	14,650,000		0.08
Expired/cancelled	(2,225,000)		0.07
Balance, January 31, 2024 and 2025	81,700,000	$	0.07

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at January 31, 2025 are as follows:

Options Outstanding					**Options Exercisable**		
Exercise Range	Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number Exercisable		Weighted Average Exercise Price
$0.05 - $0.10	67,800,000	$	0.06	4.80	64,137,500	$	0.05
$0.11 - $0.14	13,900,000	$	0.14	6.55	13,900,000	$	0.14
	81,700,000	$	0.07	5.10	78,037,500	$	0.08

13. SHARE CAPITAL (continued)

During the year ended January 31, 2025, the Company granted nil (2024 - 14,650,000) stock options to purchase common shares at a price of nil (2023 - $0.08) for a period of 10 years. The fair value of stock options granted in year was estimated using the Black-Scholes model for pricing stock options and will be expensed over the vesting year of the stock options. Assumptions used in pricing the stock options were:

	2025	2024
Risk free interest rate	NIL	3.61%
Dividend yield	NIL	0%
Expected stock volatility	NIL	143.90%
Expected life	NIL	10 years
Stock price on date of grant	NIL	0.065
Fair value of stock options on the grant date	NIL	0.06

Stock based compensation of $482,020 (2024 - $419,703) for the year relates to vesting of stock options that were granted either in the current year or a prior year and recognized as an expense consistent with their vesting features.

(d) Warrants

The following tables reflects the continuity of warrants:

Expiry Date	Exercise Price	Balance January 31, 2024	Warrants Issued	Warrants Exercised	Expired/ Cancelled	Balance January 31, 2025
June 8, 2025	$0.06	11,799,000	-	-	-	11,799,000
September 30, 2025 (1)	$0.075	57,567,800	-	-	-	57,567,800
November 3, 2025	$0.06	32,500,000	-	-	-	32,500,000
December 30, 2028	$0.06	10,000,000	-	-	-	10,000,000
	$0.05 - $0.10	111,866,800	-	-	-	111,866,800

(1) Prior to expiry on September 30, 2024, 57,567,800 warrants were extended to September 30, 2025

14. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	2025	2024
Numerator		
Net loss	**$ (4,002,209)**	$ (1,947,827)
Denominator		
Weighted average number of common shares outstanding, basic and diluted	**572,681,815**	572,681,815
Basic and diluted loss per share	**$ (0.01)**	$ 0.00

As a result of losses incurred, the potential effect of the exercise of convertible debt, stock options and warrants was anti-dilutive.

15. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being resource exploration. As at January 31, 2025, the Company's resource exploration properties are located in the United States, Mexico and Canada and its corporate assets are located in Canada.

A summary of total assets by geographic region is as follows:

January 31, 2025		**United States**		**Canada**		**Mexico**		**Total**
Current assets	**$**	**(12,201)**	**$**	**51,387**	**$**	**(8,563)**	**$**	**30,623**
Investment				**34,994,960**		**-**		**34,994,960**
Property and equipment		**1,422,770**		**-**		**235,523**		**1,658,293**
		1,410,569	**$**	**35,046,347**	**$**	**226,960**	**$**	**36,683,876**

January 31, 2024		United States		Canada		Mexico		Total
Current assets	$	2,910,103	$	350,714	$	94,066	$	3,354,883
Investment		-		13,560,543		-		13,560,543
Property and equipment		1,390,888		-		292,800		1,683,688
	$	4,300,991	$	13,911,257	$	386,866	$	18,599,114

16. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders' equity excluding accumulated other comprehensive income. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value and respond to changes in economic and/or market conditions; to retain a strong capital base so as to maintain investor, creditor and market confidence and to safeguard the Company's ability to obtain financing should the need arise.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid and highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	2025	2024	Fair value Hierarchy
Fair value through other comprehensive income (FVTOCI):			
Investment	**$ 34,994,960**	$3,560,543	(1)
Loans and receivable, measured at amortized cost:			
Cash	**$ 7,393**	$3,263,929	
Helium and gas receivables	**$ -**	$ 28,082	
Other liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	**$ 2,574,567**	$1,643,033	
Loan payable	**$ 2,232,000**	$2,130,814	

(1) Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The Company uses Level 2 fair value hierarchy to determine the value of its investment due to observable transaction prices during the year.

Interest rate and credit risk
It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short-term nature.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper prices and helium and other gas prices.

Equity price risk is defined as the potential adverse impact on the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk
The Company has no income and relies on equity financing or the sale of its investments to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at January 31, 2025, the Company has sufficient capital to fund its operations over the next twelve months. The Company had a cash balance of $7,393 (January 31, 2024 - $3,263,929) and investments of $34,994,960 (January 31, 2024 - $13,560,543) to settle current liabilities of $10,031,439 (January 31, 2024 - $8,949,535) of which $5,224,872 is non-cash (January 31, 2024 - $5,175,688).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. The Company is exposed to market risk related to its investment in Cyber App Solutions.

Currency Risk
The Company does engage in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, deposits and other receivables and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss and comprehensive income by approximately $224,440 (January 31, 2024 - $207,654).

18. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

	2025	2024
Net loss before recovery of income taxes	**$ (6,127,571)**	$ (4,547,827)
Expected income tax recovery	**$ (1,623,806)**	$ (1,205,174)
Difference in foreign tax rates	**289,880**	122,000
Share based compensation and other	**255,060**	111,000
Exploration losses in Mexico	**328,020**	-
Fair market adjustment booked through OCI	**-**	1,793,424
Non taxable portion of capital gain	**-**	(873,000)
Realized gain	**-**	(874,000)
Utilization of tax benefits not perviously recognized	**(1,953,990)**	-
Change in tax benefits not recognized	**563,367**	(1,674,250)
Income tax recovery	**$ (2,141,469)**	$ (2,600,000)

The following table summarizes the components of deferred tax:

Deferred Tax Assets		
Property, plant and equipment	**$ 10,680**	$ -
Loan payable	**31,330**	-
Operating tax losses carried forward - Canada	**3,285,544**	1,837,000
Resource pools - mineral properties	**319,690**	-
Subtotal of Assets	**$ 3,647,244**	$ 1,837,000
Deferred Tax Liabilities		
Marketable securities	**$ (4,634,245)**	$ (1,837,000)
Net Deferred Tax Asset	**$ (987,001)**	**$ -**

Unrecognized deferred taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2025	2024
Non capital losses carried forward - Canada	**$ 137,230**	$ 6,211,310
Non capital losses carried forward - Mexico	**4,496,520**	5,962,950
Non capital losses carried forward - US	**11,166,270**	6,124,280
Resouce pools - Mineral properties	**367,030**	1,573,410
Property, plant and equipment	**50,710**	285,130
ARO	**321,580**	-
Share issuance costs	**-**	52,750
	$ 16,539,340	$ 20,209,830

The Canadian non-capital loss carry forward expire between 2032 and 2038. Mexican losses expire between 2026 and 2036. The U.S operating tax losses expire between 2029 and 2039. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

19. REVENUE

The following table summarizes the Company's revenue by product:

	2025	2024
Helium and other natural gas	**$ 129,697**	$ 30,314
Royalty	**(29,377)**	-
Total revenue	**$ 100,320**	$ 30,314

VVC EXPLORATION CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Year Ended

January 31, 2025

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<u>**Form 51-102F1**</u>

VVC EXPLORATION CORPORATION ("VVC")

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JANUARY 31, 2025

This Management's Discussion and Analysis ("MD&A") of VVC for the year ended January 31, 2025 (the "Period") was prepared on May 30, 2025 and should be read in conjunction with the Company's January 31, 2025 audited condensed consolidated financial statements and related notes, prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial information disclosed in this report was prepared in accordance with IFRS unless otherwise disclosed.

All amounts herein are expressed in Canadian dollars unless otherwise indicated. The technical information regarding the mineral properties in the MD&A has been approved by Peter Dimmell, P.Geo. (NL, ON), a mineral exploration consultant and a director of VVC, who is a qualified person (QP) under National Instrument (NI) 43-101.

FORWARD LOOKING INFORMATION

This MD&A includes forward-looking statements that are subject to risks and uncertainties and other factors that may affect the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, which among other things, affect the price of metals, the foreign exchange rate, the ability of the Company to implement its business strategy, and changes in, or the failure to comply with government laws, regulations and guidelines. Unless otherwise required by applicable securities laws, VVC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to securities laws. Additional information relating to VVC can be obtained from its News Releases and other public documents at the SEDAR website <www.sedarplus.ca>.

BUSINESS OVERVIEW

The Company is a venture issuer reporting in Ontario, British Columbia, Alberta and Quebec. The Company's common shares trade on the TSX Venture Exchange under the symbol "VVC". In 2022, VVC rebranded to reflect its current operations in a diversified natural resources business by creating a new logo, trade name or DBA "VVC Resources" and website <www.vvcresources.com>.

VVC is in the business of acquisition and exploration of resource properties in the mineral and petroleum sectors. Its principal business activity is in the petroleum sector (natural gas and helium) in the USA and also the exploration and development of gold and base metal mineral properties in Mexico. The Company, through its wholly owned subsidiary, Plateau Helium Corporation ("PHC"), is exploring for, and producing, helium (He), oil and natural gas in Kansas and Colorado, USA. Throughout this document the term "the Company" refers to VVC and its wholly-owned subsidiaries, Camex Mining Development Group Inc ("Camex"), VVC Exploración de Mexico, S. de R.L. de C.V. ("VVC Mexico"), Samalayuca Cobre S.A. de C.V. and PHC.

<u>*(A) Plateau Helium Corporation ("PHC")*</u>

PHC is a wholly owned subsidiary of VVC. PHC holds several Helium and PNG projects in Kansas and Colorado States, USA.

Syracuse Helium Project

PHC owns a 100% (88% net interest after landowner royalty) of its initial project, the Syracuse Helium Project (the "Syracuse Project"), located in the State of Kansas, comprising 69 leases covering over 16,000 acres. The Syracuse Project is the first project acquired by PHC and is located in Hamilton County Kansas, hosts more than 75 potential well sites in the Chase zone. The acreage was previously explored with 5 wells, all of which either produced, or tested positively, for natural gas containing helium in the Chase zone. One existing Chase zone well (Levens 2-31) was connected to the Tumbleweed pipeline after minor repairs and connection to a salt water disposal well on the property. Previously, it has produced almost a billion cubic feet of helium rich natural gas over 27 years. Another well in the area, the Amaco-Rector well, was plugged after historically producing almost two billion cubic feet of gas.

Geologically, the Syracuse Project lies to the south of the Bradshaw and Byerly fields, to the west of the Hugoton and Panoma Fields, and to the north of the Greenwood Gas Area which collectively have produced in excess of 27 trillion cubic feet of helium rich natural gas.

To assist with the costs of exploration (drilling) on the Syracuse Project and acquiring more leases, PHC raised the following financing:

> 2020 - PHC raised US$1.4 million in financing through Plateau Helium Syracuse LLP1 (“LLP1”), a limited liability partnership in the state of Wyoming, which purchased royalty interests in the first 10 wells of the Syracuse Project. Through LLP1, the limited partners are entitled to a royalty of 28% of the net revenue from the first 10 wells after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production (the "LP Interest").
>
> 2021 - the Company raised US$3.4 million in financing through Plateau Helium Syracuse LLP2 (“LLP2”), a limited liability partnership in the state of Wyoming, which purchased royalty interests in the next 20 wells of the Syracuse Project. Through LLP2, the limited partners are entitled to a royalty of 34% after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production.

Because PHC acquired more leases than originally expected, overall leasing costs were higher than budgeted. Well drilling and completion costs were also higher than budgeted due to unanticipated developments that included weather delays and other factors.

The Syracuse Project and all helium projects acquired by PHC are also subject to a 15% royalty held by a company controlled by the previous shareholders of PHC (the "15% Royalty") as well as a 1% royalty held by a third-party (the "1% Royalty"). The 15% Royalty and the 1% Royalty are payable on the net proceeds received by PHC after deducting all costs of production and payment of all pre-existing royalties. One VVC insider holds 9.5% of the LP Interest as a result of investing US$100,000 in the limited partnership financing. Another insider of VVC holds a 16.67% interest in the 15% Royalty.

Activity on the Syracuse Project

In 2021, PHC reworked a pre-existing well (Levens 2-31) that had indicated good casing pressure. As a first step to proving reserves and generating cashflow, the Company connected the well to the Tumbleweed Pipeline which transports the helium rich gas to the Ladder Creek Helium plant. Historically (in 2008), based on a Shamrock Gas Analysis, the well had produced gas with 1.273% helium concentration, producing at marginally profitable rates as expected after more than 27 years of production. In 2023, the well was shut in for a period of time, but was re-activating, as new wells were connected to the Tumbleweed Pipeline. PHC had initially planned to rework/re-enter 5 other existing wells and return them to production, but this effort was unsuccessful. That plan was abandoned after substantial time and expense, and instead new wells were drilled.

In May 2022, the Company completed a major infrastructure enhancement on the Syracuse Project with the installation of the 14-mile Syracuse Gas Gathering System and a 14-mile salt water disposal system costing approximately US $ 1 million. The Syracuse Gas Gathering System was connected to the Tumbleweed Midstream Ladder Creek Pipeline. The gas and salt water gathering systems were necessary in order to produce the gas and dispose of the water from the newly drilled wells. The systems have a 100 wells capacity.

A total of eight (8) new wells were drilled, one (1) of which (Durler 2-21) was drilled to the deeper Wabansee zone (X & Y), where there was no gas show, however the well showed helium rich gas in the shallower Chase zone. The other seven (7) wells were drilled to the Chase zone all giving helium rich natural gas shows. Five (5) of these new wells are producing. Net production to-date in MCF is 494 Helium, 20,867 Hydrocarbon (NGL), and 6,268 Methane, with $115,910 in revenue.

Monarch Project

In March 2021, PHC purchased a helium / methane property, known as the Monarch Lease Property, from Monarch Petroleum ("MP"), at a nominal cost, with MP retaining a 3% royalty in the shallow well rights from surface to 3,100 feet (the "Shallow Rights") and a 50% non-operated working interest in the deep oil and gas rights below 3,100 feet (the "Deep Rights"). In addition to the 3% royalty, standard industry royalties of 12.5% are payable to land owners from the proceeds of production and a 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. After operating the wells in 2022, PHC concluded that without an efficient water disposal system these wells were not economic and they were all shut in. This project is permanently on hold.

Syracuse Extension Kansas Area

To-date on the Syracuse Extension Kansas (the "SEK Area") over 13,000 acres have been leased over 24 wells that flowed gas that tested helium in excess of 2%, and then plugged, as there was at the time, no available market for the gas (ie. no pipeline). PHC has defined 3 areas of the SKEP where leased acreage is in place.

Two new projects were developed from the SEK Area: (a) Stockholm Kansas Project and (b) Moore-Johnson Kansas Project *(see description below)*.

Syracuse Extension Colorado Area

A 320-acre gas property located in Cheyenne County, Colorado, was purchased by PHC in April 2021. An additional 13,000 acres have been leased, with a total of 26 historical wells that flowed gas, tested helium in excess of 2% and then were plugged as there was no available market for the gas (i.e. no pipeline) at that time.

Standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. PHC owns a 100% operating working interest in the leases, subject only to the royalties.

The initial acreage includes 2 gas wells, drilled in 1989/90, which were never put into production. It is adjacent to the Tumbleweed Midstream pipeline which is linked to the Ladder Creek Helium plant. Both wells are reported to contain methane and helium. At the time of drilling, one well tested over 2,000 mcf per day and the other, over 3,000 mcf per day, of helium rich gas. ***These historical results have not been verified by PHC, or any other independent party, and should not be relied upon*.**

No project work has commenced in Colorado because the State of Colorado issued new regulations for permitting natural gas wells in 2022 and until recently no permits have been issued under the new regulations. The Company was therefore not be able to drill in Colorado State. State permitting issues were resolved in early 2024 and the first permits have been issued to other operators. The process is onerous, time consuming and expensive. However, one of the first permits issued resulted in a well drilled adjacent to a VVC lease. The well had initial production of approximately 1000 mcfs total gas per day, with 3% helium. PHC is considering farming out its leases in Colorado.

Stockholm Kansas Project

The Company's Stockholm Project is testing the Morrow Zone, known for its sandstone stratigraphy and potential as a hydrocarbon reservoir.

The Stockholm Field Re-Development Projects consists of 2,560 acres of oil and gas leases in the abandoned Stockholm Field, Wallace County, Kansas, developed with the drilling of six (6) wells, 5 of which tested gas, and one dry hole. Gas was tested from the Morrow Sandstone at an average rate of 2,282 MCFG/D with Helium content of 1.8%. Although commercial production rates and helium concentrations were exhibited by the wells, little to no gas was produced as the wells were drilled prior to the construction of gas infrastructure. As a result, the wells were plugged and abandoned. Today, a six-inch (6") Tumbleweed Midstream Pipeline runs through the field enabling PHC to monetize any produced gas.

The Josephine Mack 18-1 (first SEKP well) is now completed but not yet connected to the pipeline. It is producing helium, natural gas and oil. Production gradually increased as the water is pumped off. Production now awaits electrical connection, pipeline connection and a water disposal site. Negotiations are underway for connection to Tumbleweed Piepline.

Moore-Johnson Kansas Project

The Moore-Johnson Field Re-Development Project consists of 3,840 acres of oil and gas leases in the Moore-Johnson Field, Greeley County, Kansas. The field is approximately seven (7) miles long and one and one-half (1.5) miles wide and produces oil, and helium rich gas, from the Morrow Sandstone.

Historically, wells drilled in the Moore-Johnson Field that tested gas were plugged and abandoned due to low gas prices, no monetary compensation for the associated helium, and lack of infrastructure.

PHC had considered drilling wells in four (4) Moore-Johnson Field locations near historic wells that previously tested high flow rates of helium rich gas from the Morrow Sandstone which were later plugged and abandoned.

Ardery Oil Well Project

The Ardery 11-1 well was drilled by Ring Energy, Inc. (Ring) in April 2014. The well encountered significant oil and gas shows in the Morrow Sandstone and the "B" and "C" porous zones in the St. Louis Limestone. Initially, the well was completed in the St. Louis Limestone producing a highly emulsified oil. Unable to effectively treat the St. Louis oil, a cast iron bridge plug (CIBP) was set and perforation of the Morrow Sandstone was carried out. The oil from the Morrow Sandstone was higher quality than from the St. Louis, however the production rate was low. Eventually, Ring drilled out the CIBP and combined Morrow and St. Louis production however after producing >6,000 barrels of oil, operations were halted and the well was shut in.

PHC negotiated terms to earn a 100% working interest ownership (80% NRI) in the Ardery 11-1 well and the surrounding 640 acre of oil and gas leases by attempting to re-work the well and returning it to producing status. After a thorough analysis it was determined that the Ardery 11-1 represents 149,698 barrels of recoverable oil based on a volumetric estimate.

PHC began re-working the Ardery 11-1 well in March 2024 by isolating and testing the St. Louis C zone; the St. Louis B zone; and the Morrow Sandstone. The St. Louis C and B zones produced moderate to high volumes of total fluid with a 20% to 30% oil cut with the oil emulsified requiring modification of the production facility to produce economically. The Morrow Sandstone produced nearly 100% oil with a low production rate and efforts to increase the production rate were ineffective. Production on the Ardery 11-1 well commenced in June 2024. PHC continues to produce from the Morrow Sandstone while studies continue to increase daily oil production by de-emulsifying oil from the St. Louis Formation. There are 2 key issues: first is de-emulsifying the oil and second is finding an economic way to dispose of the water produced during the de-emulsifying process. PHC is trying to acquire a nearby water disposal well. Net revenue to-date is US$33,210.64 from 584.99 barrels of oil.

HIPS Projects

These Helium and PNG project, is the current focus of the Company, and comprises Andromeda, Beetlejuice, Capricorn and Ithaca Projects. More than 20 potential well sites have been identified. About 5,600 acres have already been leased covering multiple proven zones and about 3,000 acres are expected to be leased.

Ithaca Project

In April, PHC acquired the Ithaca Project at a cost of US$ 450,000. It comprises one (1) producing well over a 160-acre lease and 5 miles of pipeline that connects to IACX main pipeline.

Reserves Evaluation

VVC is required, pursuant to National Instrument 51-101 (NI 51-101), to report, on an annual basis, Reserves Data and Other Oil and Gas Information prepared by an independent Qualified Reserves Evaluator (QRE).

In 2022, VVC engaged Sproule Associates Limited ("Sproule") of Calgary, Alberta to prepare the various reports required pursuant to NI 51-101. Sproule is a global energy consulting firm, recognized as having natural gas and helium expertise, that provides technical and commercial knowledge. Sproule worked closely with Foreland Operating, who were managing our gas operations in Kansas, to prepare an independent evaluation of the helium (He) and natural gas resources as at January 31, 2022, as required under NI 51-101. The reports were filed on SEDAR at the same time as the Year End Financial Statements.

The Reserve Committee of the Board of Directors determined that nothing substantially had changed as at January 31, 2025 to affect the content of the Reports filed in May 2022. There was limited production of PNG during the year, which was not sufficient to cover the operating costs, as such no reserve evaluation was carried out.

Sproule will need to be re-engaged to prepare updated reports as of January 31, 2026 and their reports will be filed on SEDAR in May next year. Any reserves/resources evaluations by a QRE will be conducted according to the guidelines contained in NI 51-101, which are different from evaluations conducted according the guidelines in the USA.

(B) Plateau Helium, South Africa

The Company holds a 60% stake of Plateau Helium, South Africa ("PHC SA"). PHC SA holds a 44% interest in a gas field in Free State South Africa, subject to certain pending approvals from the South African Government. PHC SA is interested in the potential helium reserves of this property. The Company has not verified the helium potential of the property. No costs have been incurred on this property to date.

(C) Mineral Properties in Mexico

The Company has 2 mineral properties in Mexico:

- Gloria (Cu) in the Samalayuca area of Chihuahua State
- Cumeral (Au) in Sonora State

The main project is Gloria Copper owned by Samalayuca Cobre, a subsidiary of Camex Mining Group, which is a subsidiary of VVC. Cumeral is owned by our Mexican subsidiary, VVC Mexico. No field exploration has been carried out since 2018/19.

Since 2020, the environ for foreigners doing business in Mexico has changed with much more stringent conditions on mining and exploration, however with a new President elected in 2024 it is uncertain how this will affect us as we are dependent on taxation rules, support for the industry and environmental policies. In addition, the worldwide appetite for financing mining projects has also changed.

The Company is undertaking a Strategic Review of its mining properties and operations in Mexico to help us in determining the course of action for our Mexican assets. There are no material updates to prior disclosures on these properties, and it is not known when, or if, further exploration will take place.

The properties are summarized following.

1 - Samalayuca Cobre S.A. de C.V. Gloria Copper Project)

Samalayuca Cobre S.A. de C.V. ("SCSA") is a wholly owned indirect subsidiary of VVC. SCSA is the owner of the Gloria Copper Project, which covers stratiform, sediment hosted, copper mineralization over a 5 km long trend, in Permian age, chloritized sandstones, along the Samalayuca Sierra. The Gloria Project is on a mining concession of 1623 ha in Chihuahua State, approximately 40 km southwest of Juarez MX / El Paso, Texas. It is road accessible via Highway 45 and unpaved roads/trails that extend around the Sierra.

The Samalayuca Sierra has been explored for copper since the early 1950's with small scale, artisanal mining from open pits carried out for a few years in the 1960's over a strike length of at least 4 km. From east to west the main named zones include: Suerte, Zorra, Juliana, the Gloria deposits and Concha.

Geology

The copper mineralisation is characterised as a "Stratiform Copper Deposit" type, as recognized by qualified persons, Michel Gauthier and Jocelyn Pelletier (2012), and Jacques Marchand and Michel Boily (2013). Fine disseminated chalcopyrite-bornite and associated oxide copper minerals, are found in a wide chloritized zone along the Sierra with mineralized zones from 3 to 36 m wide, true thickness, in the old surface pits. The stratigraphy strikes NW and dips variably gently approximately 25 degrees to the NE. Vertical faults generate supergene copper enrichment when they cut the mineralised strata. The old mining works by the artisanal miners (gambusinos) targeted the higher grade, surface, copper zones, exploiting them by shallow (< 20 m deep) open pits and hand cobbing (selecting) the ore for direct shipping to the smelters.

Exploration

Exploration since 2010 consisted of geological and structural mapping of the key Cu-mineralized areas, including the old artisanal pits, where channel samples across the sandstone layers, were used to calculate an Inferred Resource of 4,100,281 t grading 0.47 wt. % Cu and 5.8 g/t Ag (Boily 2013). The stratiform copper mineralization extends over a 5 km strike length based on the shallow, artisanal open pits and VVC's drilling in 2017/18 which totalled 5721 m in 32 holes testing the Gloria, Gloria NW, Gloria Extension, Gloria Extension E, Thor and Zorra copper zones. Highest results included: SC17-022 - 0.51 % Cu / 27 m from 14.5 m downhole – approx. 27 m true width and SC17-023 - 0.36 % Cu / 51 m from 10 m downhole – approx. 36 m true width.

Results, including plans and sections, were summarized in the news releases issued on August 2, August 17, October 11, 2018, January 17, and January 30, 2019.

NI 43-101 Report – 2013 & 2019

A National Instrument (N.I.) 43-101 report by Michel Boily, PhD, P.Geo, dated April 20, 2013, (filed on SEDAR on October 7, 2013) was updated by the same author on April 21, 2019. The report, filed on SEDAR on May 7, 2019, gives Indicated Resources of 9.6 million tonnes grading 0.282% Cu (59.5 million lbs) and Inferred Resources of 14.398 million tonnes grading 0.281% Cu (89.44 million lbs) using a cut-off grade of 0.15%. The Resource Estimate covers eight zones of the Kaity Property: Gloria, Gloria Extension, Concha, Gloria North, Juliana, Zorra, Trinidad and Suerte, which occur along a 5.5 km long by 0.5 km wide, northwesterly oriented ridge.

The largest zones are: Gloria Ext., - 4.1 million tonnes 0.26% Cu Indicated, 2.5 million tonnes - 0.24% Cu Inferred; Concha - 3.2 million tonnes - 0.30% Cu, Indicated, 6.2 million tonnes - 0.27% Cu, Inferred, the most favorable areas for the delineation of Measured Resources. Gloria Extension lies near the top of the Sierra and dips shallowly along the northeast slope of the Sierra, an ideal situation for low-cost exploration and possible exploitation. Concha mineralization has good potential for more resources with good continuity demonstrated by drilling at depth.

Metallurgical Testing

In June 2019, metallurgical bench testing of copper mineralized samples from the Gloria Zones were conducted using an on-site lab to evaluate the impact of crushing (ore size), acid flow rates and other leach related parameters, to determine the optimum requirements for the recovery of copper. The leach columns were 6 meters in height, matching the proposed thickness of the heap leach ore pads, to determine the optimum conditions for processing mineralized material from the Gloria Zones. After the ore is leached, copper recovery using electrowinning will be tested and considered for the proposed Gloria Pilot Mining Project. The metallurgical testing was under the supervision of Everardo Morga Monárrez, a Senior Metallurgist from Hermosillo, Mexico.

Metallurgical testing to refine the reactant / water mixture to minimize the use of both, and to minimize costs was also carried out with the objective of decreasing residence time, and increasing recoveries, thereby reducing costs and increasing profitability with preliminary results encouraging. It was found that the optimum procedure is vat leaching using an ore granulometry of -3/8", a time of lixiviation of 30 days followed by a wash of eight days, with industrial grade sulfuric acid concentrations of 3.0% although testing continues to increase recoveries and reduce costs.

2 – Cumeral Project

General – A 100% interest in the 685-hectare Cumeral gold Property consisting of 3 mining concessions, located in Sonora State, MX. The property was optioned from 2 Mexican individuals and is subject to a 2 % NSR with all option payments completed. VVC Mexico also acquired 100% owned, concessions from the Ministry of Mines which now total 1,000 ha, for a total property size of 1,685 ha with the additional concessions not subject to the NSR. The Property is located approximately 140 km south of Tucson, Arizona / Nogales, MX and 200 kilometres north of Hermosillo, MX with a network of gravel roads and paved highways providing excellent year-round access. It is situated in the under-explored Sierra Madre Occidental along the well mineralized "Sierra La Jojoba" trend, approximately 15 km northeast of the Mina Lluvia de Oro and Mina La Jojoba deposits which host >26 million tonnes of measured, indicated and inferred resources grading 0.525 to 0.741 g/T gold (>500,000 ounces of gold). This area of Sonora is host to numerous other gold deposits and mines, including Fresnillo PLC’s Herradura Gold Mine which opened in 1997 and in 2023 produced over 355,000 ounces of gold, at 0.76 g/t and 611 Kg of silver 1.57 g/t, with a mine life of 10.2 years remaining (2023). Other deposits in the area include San Francisco and La Colorada.

Exploration – Exploration has included geological mapping, prospecting / rock chip sampling over a 120-hectare area in the vicinity of the old pits and shallow shafts (Tularcito area) in the south and soil geochemistry to the north. Grab sampling has given values as high as 12.65 g/T in selected samples, and with the geochemistry, has defined five areas of gold/silver mineralization (Areas A to E) with strong alteration (sericite and quartz veining) with associated pyrite and hematite, and gold in soils, trending in a northwest-southeast direction in heavily oxidized quartz sericite to biotite/muscovite schists. Area A (80 by 300 m), in the northern part of the Property, consists of quartz veins/veinlets carrying minor malachite and azurite. A grab sample of a copper vein on the contact of a mafic dyke, gave 2.2 g/T gold, 493 g/T silver and 3.73 % copper.

Air track drill holes were drilled in 2012 - 28 (572 m) in Areas B (15) and C (13). Area B, the main area of artisanal (gambusino) workings, covers an area of 155 by 180 metres. Air track drilling returned values as high as 1.45 g/T gold and 6.74 g/T silver over 14 metres including 4.19 g/T gold over 4 metres. Eight of the holes returned values of 0.1 to 0.4 g/T gold and 1 to 4 g/T silver over widths varying from 4 to 22 metres. Air track drilling on Area C which covered an area of 115 by 200 metres, also gave significant values including 0.44 g/T gold and 0.48 g/T silver over 10 metres, and 0.21 g/T gold and 0.53 g/T silver over widths varying from 6 to 26 metres. In 2013 - 14 air track holes totaling 1,020 m were drilled in Areas A (1), B (3), C (4), E (4), F (2) testing for extensions to the east, down dip, of the mineralized structures. Results were not encouraging for a mineralized system dipping to the east.

National Instrument 43-101 Report (Link) – Prepared in 2011/12, by independent geological consultant Michel Boily, PhD, P.Geo. was filed on SEDAR on August 27, 2012 describing results from the 2010-2012 mapping/rock sampling programs which show high gold values (i.e 0.5 to >10 g/t) in hematized and pyritized quartz veins/veinlets associated with mylonitized, gently eastward-dipping, low angle (20º to 40º) faults. Geological mapping in the southern segment of the Property defines at least ten gold-mineralized structures generally confined to areas tested by the air track drilling program of 2010. The combined 2010 to 2012 rock assay grab sample results for 407 samples taken over an area of 3 km along strike by 1 km wide, gives 8 values from 10 to 40 g/t Au (2 %), 42 from 1 to 10 g/t (10 %), 31 from 0.5 to 1.0 g/t Au (8 %) and 64 from 0.1-0.5 g/t Au (16 %). Using these results, 36 % give gold values varying from a low of 0.1 to a high of 40 g/t with a little less than half in the lowest range. The samples include mineralized quartz veins, altered / mineralized units and altered units. Approximately 25 samples, mainly quartz-hematite-goethite±tourmaline veins, give Ba values > 0.1 %.

3 - Analytical Techniques

The analytical Techniques used during exploration on the three mineral properties in Mexico are as follows:

> Rock, drill core and soil samples were sent to the ALS Chemex laboratories in Chihuahua, Zacatecas or Hermosillo, Mexico. All Au analyses were by Fire Assay with a gravimetric finish. All other assays were performed by ICP-AES or AAS methods. Samples with ore grade values, >100 ppm Ag, >10,000 ppm Cu, were re-analyzed by ICP-AES or AAS. Gold values in soil samples (at least 25g samples) were determined by ICP-MS following digestion in Aqua Regia. Standard QA/QC techniques, such as duplicates and blanks were used as required.

(D) Segmented Expenditures per Property

As of January 31, 2025, the Company has spent the following on its active mineral and natural gas properties:

	Samalayuca	Helium Properties	Other Properties	Total
Opening Balance	$ 12,399,297	$ 10,033,740	$ 4,458,272	$ 26,891,309
Current Exploration	162,416	4,164,435	(480,632)	3,846,222
Balance	$ 12,561,716	$ 14,198,175	$ 3,977,640	$ 30,737,531

(E) Investments

In 2022, the Company acquired a 19% interest in Proton Green LLC ("Proton Green"), a limited liability Company in the State of Wyoming for $23,480. The Company does not have control or significant influence over Proton Green. Proton Green's primary purpose is the collection and storage of carbon emissions in an effort to aid in the reduction of US carbon emissions, helium sales and sales of food grade CO_2. The Company intends to hold the majority of its investment in Proton Green for the long-term. The investment is measured at fair-value and will be remeasured at each reporting date with gains or losses reflected in other comprehensive income.

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for $6,593,500 (USD$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company held an 11.91% in Proton Green. The Company recognized a gain through OCI of $5,716,933 net of income taxes.

On July 28, 2023, Proton Green signed a definitive share exchange agreement with Cyber App Solutions (Ticker: CRYB). Upon closing the transaction, Proton Green became publicly traded by a reverse take over of Cyber App Solutions. The Company received 8,097,660 shares of Cyber App Solutions in exchange for its interest in Proton Green.

During the year ended January 31, 2024, the Company recognized an unrealized gain through OCI of $17,530,563 net of income taxes of $2,600,000.

During the year ended January 31, 2025, the Company sold 232,917 shares of Cyber App Solutions for $1,434,002 (US$1,020,002) and recognized a gain through OCI of $1,243,495 net of income taxes.

The Company's 7,864,743 shares of Cyber App Solutions are carried at $34,994,960 (2024 - $13,560,543) on the consolidated statements of financial position. The value of the shares were determined based on the most recent sale of the shares to arms length parties for $4.45 (USD$3.09) per share. Due to the sale of shares by the Company and other dilution, the Company currently holds less than a 10% interest in Cyber App Solutions. The shares are remeasured through FVOCI.

During the year ended January 31, 2025, the Company recognized an unrealized gain through OCI of $19,756,056 net of income taxes of $3,112,363.

SELECTED ANNUAL INFORMATION

Set forth below is a summary of the financial data derived from the Company’s consolidated financial statements for the past 3 years:

	2025	2024	2023
Net loss for the year	**$ (4,002,209)**	**$ (1,947,827)**	**$ (5,521,035)**
Total assets	**36,683,876**	**18,599,114**	**1,836,987**
Mineral and natural gas properties expense	**3,846,222**	**2,164,177**	**3,031,278**
Stock-based compensation	**482,020**	**419,703**	**616,413**

SUMMARY OF QUARTERLY RESULTS

Set forth below is a summary of the financial data derived from the Company's consolidated financial statements of the 8 most recently completed quarters:

	Jan 31/25 Q4 2025	Oct 31/24 Q3 2025	Jul 31/24 Q2 2025	Apr 30/24 Q1 2025	Jan 31/24 Q4 2024	Oct 31/23 Q3 2024	Jul 31/23 Q2 2024	Apr 30/23 Q1 2024
Sales	$ 13,810	$ 47,091	$ 35,661	$ 3,758	$ 28,290	$ -	$ -	$ 2,039
Operating costs less mineral and natural gas property expenses	(738,604)	(483,364)	(558,075)	(601,626)	(1,005,952)	(411,175)	(438,597)	(380,050)
Foreign exchange	-	-	-	-	-	-	-	-
Other	-	-	-	-	(178,190)	-	-	-
Mineral and natural gas properties expenses	(1,045,173)	(834,084)	(1,622,636)	(344,329)	(1,165,015)	(890,910)	(50,360)	(57,892)
Net loss before taxes	(1,769,967)	(1,270,357)	(2,145,050)	(942,197)	(2,320,867)	(1,302,085)	(488,957)	(437,942)
Net income (loss) after taxes	355,395	(1,270,357)	(2,145,050)	(942,197)	279,133	(1,302,085)	(488,957)	(437,942)

RESULTS OF OPERATIONS – THREE MONTHS

The Company generated $13,810 of net revenue in Q4 2025 compared to $28,290 in Q4 2024. Gross revenue was $20,760 in Q4 2025. The Company paid royalty of $6,950 to various property owners.

The Company had operating costs less mineral and natural gas properties expense ("Operation Costs") of $738,604 for Q4 2025 as compared to $1,005,952 in Q4 2024.

The following discusses the reasons for the $267,378 decrease from Q4 2024 to Q4 2025:

Non-cash stock-based compensation was the largest decrease. The expense decreased by $352,773 from $404,063 in Q4 2024 to $51,290 in Q4 2025. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Investor relations decreased by $100,602 from $101,366 in Q4 2024 to $764 in Q4 2025. The Company no longer engages with some of the service providers that provided investor relations services in Q4 2024.

Travel and promotion decreased by $29,334 from $38,770 in Q4 2024 to $9,436 in Q4 2025. The Company did not engage in significant property leasing and exploration in Q4 2025 due to a lack of capital.

Office and sundry increased by $158,239 from $20,763 in Q4 2024 to $179,002 in Q4 2025. The increase included the exchange impact of foreign currency denominated liabilities.

Professional fees increased by $88,202 from $137,559 in Q4 2024 to $225,761 in Q4 2025. The increase was a result of increased audit fees and the timing of certain billings from professional service providers.

While the Operation Costs in Q4 2025 was $738,604, the Company had a net income after taxes of $355,395 as compared to net income after taxes of $279,133 in Q4 2024. Mineral and natural gas properties expense in Q4 2025 was $1,045,173 compared to $1,165,015 in Q4 2024. The Company also record deferred income tax recovery of $2,125,362 in Q4 2025 compared to deferred income tax recovery of $2,600,000 in Q4 2024. Both recoveries were a result of unrealized gains in the increase in the Company's investment in Cyber App Solutions.

RESULTS OF OPERATIONS – TWELVE MONTHS

The Company generated $100,320 of net revenue for the twelve months ended January 31, 2025 ("in 2025") compared to $30,314 for the twelve months ended January 31, 2024 ("in 2024"). Gross revenue was $129,697 in 2025. The Company paid royalty of $29,377 to various property owners. The royalty paid in 2025 included the "truing" up of unaccounted royalty from prior periods.

The Company had operating costs less mineral and natural gas properties expense ("Operation Costs") of $2,381,669 in 2025 as compared to $2,235,774 in 2024.

The following discusses the reasons for the increase of $145,895 in 2025 from 2024:

Non-cash stock-based compensation increased by 62,317 from $419,703 in 2024 to $482,020 in 2025. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees increased by $135,391 from $231,381 in 2024 to $366,772 in 2025. The Company engaged with professionals to assist with drafting partnership agreements and the preparation of tax forms for limited partners who participated in financing certain helium projects.

Investor relations decreased by $204,832 from $210,210 in 2024 to $5,378 in 2025. The Company no longer engages with some of the service providers that provided investor relations services in 2024.

Office and sundry increased by $145,244 from $109,288 in 2024 to $254,532 in 2025. The increase included the exchange impact of foreign currency denominated liabilities.

Interest expense decreased by $45,477 from $212,107 in 2024 to $166,630 in 2025. The Company settled a portion of its debt in 2025. Additionally, interest rate reductions by central banks contributed to the reduced interest cost in 2025.

Management and consulting fees increased by $72,969 from $813,457 in 2024 to $886,426 in 2025. The increase was a result of adding one additional member to the team along with inflationary increases to certain members of the team.

While the Operation Costs in 2025 was $2,381,669, the Company had a net loss after taxes of $4,002,209 as compared to net loss after taxes of $1,947,827 in 2024. Mineral and natural gas properties expense in 2025 was $3,846,222 compared to $2,164,177 in 2024. Mineral property expenses increased in 2025 due to the Company's focus on the new HIPS project including acquiring the rights to this project. The Company also record deferred income tax recovery of $2,125,362 in 2025 compared to deferred income tax recovery of $2,600,000 in 2024. Both recoveries were a result of unrealized gains in the increase in the Company's investment in Cyber App Solutions.

MATERIAL EVENTS OVER THE EIGHT MOST RECENT QUARTERS

Material differences between Q3 2025 and Q4 2025 were in the following areas:

Professional fees increased by $209,759 from $16,002 in Q3 2025 to $225,761 in Q4 2025. Professional fees in Q4 2025 includes the accrual of audit fees.

Office and sundry increased by $146,485 from $32,517 in Q3 2025 to $179,002 in Q4 2025. The increase included the exchange impact of foreign currency denominated liabilities.

Non-cash stock-based compensation decreased by $46,476 from $97,776 in Q3 2025 to $51,290 in Q4 2025. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Mineral and natural gas properties expense in Q3 2025 was $834,084 compared to $1,045,173 in Q4 2025. Mineral property expenses increased in Q4 2025 due to the Company's focus on the new HIPS project including acquiring the rights to this project. The Company also record deferred income tax recovery of $2,125,362 in Q4 2025. The recovery was a result of unrealized gains in the increase in the Company's investment in Cyber App Solutions.

Material differences between Q2 2025 and Q3 2025 were in the following areas:

Professional fees decreased by $61,572 from $77,574 in Q2 2025 to $16,002 in Q3 2025. In Q2 2025, the Company engaged with professionals to assist with drafting partnership agreements and the preparation of tax forms for limited partners who participated in financing certain helium projects. The Company did not engage with professionals for similar services in Q3 2025.

Mineral and natural gas properties expense in Q3 2025 was $834,084 compared to $1,622,636 in Q2 2025. Mineral property expenses decreased in Q3 2025 due to reduced capital resources compared to Q2 2025. The Company also leased less acreage in Q3 2025 and performed less well preparation activities than it did in Q2 2025.

Material differences between Q1 2025 and Q2 2025 were in the following areas:

Non-cash stock-based compensation decreased by $88,780 from $210,872 in Q1 2025 to $122,092 in Q2 2025. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees increased by $30,139 from $47,435 in Q1 2025 to $77,574 in Q2 2025. The Company engaged with professionals to assist with drafting partnership agreements and the preparation of tax forms for limited partners who participated in financing certain helium projects.

While the Operation Costs in Q2 2025 was $558,075, the Company had a net loss before taxes of $2,145,050 as compared to net loss before taxes of $946,236 in Q1 2025. Mineral and natural gas properties expense in Q2 2025 was $1,622,636 compared to $344,329 in Q1 2025. Mineral property expenses increased in Q2 2025 as the Company explored more drilling and well completion opportunities for its natural gas projects.

Material differences between Q4 2024 and Q1 2025 were in the following areas:

Management and consulting fees increased by $48,546 from $178,349 in Q4 2024 to $226,805 in Q1 2025. During Q4 2024, the Company reclassified certain expenses from management and consulting fees to investor relations. The one-time reclassification during Q4 2024 resulted in an artificially low periodic expense. Conversely, investor relations decreased from Q4 2024 to Q1 2025 due to the artificially high periodic expense in Q4 2024 relating to the one-time reclassification.

Non-cash stock-based compensation decreased by $193,191 from $404,063 in Q4 2024 to $210,872 in Q1 2025. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant

Interest and accretion decreased by $14,426 from $55,392 in Q4 2024 to $40,966 in Q1 2025. The decrease was a result of the Company settling certain debt obligations it had through the issuance of warrants to the creditors in late Q4 2024. There was no accretion expense related to that obligation in Q1 2025.

Professional fees decreased by $90,124 from $137,559 in Q4 2024 to $47,435 in Q1 2025. Professional fees in Q4 2024 includes the accrual of audit fees.

While the Operation Costs in Q1 2025 was $601,626, the Company had a net loss before taxes of $946,236 as compared to net loss before taxes of $2,320,867 in Q4 2024. Mineral and natural gas properties expense in Q1 2025 was $344,329 compared to $1,165,015 in Q4 2024. Mineral property expenses increased in Q4 2024 because the Company obtained financial resources that has allowed it to expedite its mineral property development related to its natural gas properties. The Company had less drilling and well completion expenses in Q1 2025.

The Company had net income of $279,133 in Q4 2024. The net income was a result of non-cash income tax recovery of $2,600,000. The non-cash income tax recovery resulted from the sale and associated increase in the fair value of the Company's investment in Proton Green LLC. (Renamed to Cyber App Solutions).

Material differences between Q3 2024 and Q4 2024 were in the following areas:

Non-cash stock-based compensation increased by $404,063 from nil in Q3 2024 to $404,063 in Q4 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees increased by $116,974 from $20,585 in Q3 2024 to $137,559 in Q4 2024. Professional fees in Q4 2024 includes the accrual of audit fees.

While the Operation Costs in Q4 2024 was $1,005,985, the Company had a net loss before taxes of $2,320,867 as compared to net loss before taxes of $1,302,085 in Q3 2024. Mineral and natural gas properties expense in Q4 2024 was $1,165,015 compared to $890,910 in Q3 2024. Mineral property expenses increased in Q4 2024 because the Company obtained financial resources that has allowed it to expedite its mineral property development related to its natural gas properties.

The Company had net income of $279,133 in Q4 2024. The net income was a result of non-cash income tax recovery of $2,600,000. The non-cash income tax recovery resulted from the sale and associated increase in the fair value of the Company's investment in Proton Green LLC. (Renamed to Cyber App Solutions).

Material differences between Q2 2024 and Q3 2024 were in the following areas:

Professional fees decreased by $30,652 from $51,237 in Q2 2024 to $20,585 in Q3 2024. During Q2 2024, the Company recognized audit related costs that were finalized post the preparation of its year financial statements in both Canada and the US.

Material differences between Q1 2024 and Q2 2024 were in the following areas:

Professional fees increased by $29,237 from $22,000 in Q1 2024 to $51,237 in Q2 2024. During Q2 2024, the Company recognized audit related costs that were finalized post the preparation of its year financial statements in both Canada and the US.

Stock-based compensation decreased by $15,640 from $15,640 in Q1 2024 to nil in Q2 2024. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Investor relations increased by $41,448 from $20,490 in Q1 2024 to $61,938 in Q2 2024. The Company increased its investor relations program in Q2 2024 as it looked to capitalize on the progress of Proton Green. The increased investor relations contributed to the Company's ability to raise USD$5,000,000 of cash from the sale of a small portion of the Company's equity in Proton Green.

Liquidity and Capital Resources

As at January 31, 2025, the Company had a working capital deficit of $10,000,816 compared to working capital deficit of $5,594,652 at January 31, 2024. The working capital deficit includes non-cash obligations of $5,224,872 (2024 - $5,175,688) related to the Company's commitment to drill 30 wells. As the Company drills these wells, the related obligation will be used to off-set drilling costs. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The working capital is not considered sufficient to settle the Companies current liabilities and pay for its operating activities over the next 12 months.

At January 31, 2025, the Company had current assets of $30,623 (January 31, 2024 - $3,354,883) compared to current liabilities of $10,031,439 (January 31, 2024 - $8,949,535).

The Company does, however, have access to equity investments carried at $34,994,960 (2024 - $13,560,543). The Company may sell some of this equity interest to raise capital in order to fund its operations.

To manage its operating needs, the Company raised US$1,500,000 (CA$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan was due on November 30, 2022 and bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The loan has matured and the amount is currently due on demand. The loan was assumed by the CEO and by the President on the same terms.

During 2024, the Company received a short-term demand loan of US$50,000 (CA$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment terms. The loan was assumed by the CEO and by the President on the same terms.

On July 17, 2023, the Company sold one seventh (1/7) of its interest in Proton Green for $6,593,500 (USD$5,000,000). Prior to the sale, the Company's position was diluted to 13.91%. After the sale, the Company continues to hold an 11.91% in Proton Green. The Company recognized a gain on $6,590,124 on the sale. The Company's 9.97% interest in Proton Green was carried at $13,560,543 on the consolidated statements of financial position on January 31, 2024. By means of a reverse take over transaction, Proton Green was acquired by Cyber App Solutions (Ticker: CYRB). The Company received 8,097,660 shares of Cyber App Solutions in exchange for its interest in Proton Green.

The Company has been slowly and strategically, monetizing its investment in Cyber App Solutions. During the year ended January 31, 2025, the Company sold 232,917 shares of Cyber App Solutions for $1,434,002 (USD$1,020,002). The Company recognized a gain of $1,243,495, net of income taxes on the sale of the shares. The remaining 7,864,743 shares are carried at $34,994,960 on the consolidated statements of financial position on January 31, 2025.

Off-Statements of Financial Position Arrangements

There are no off-statement of financial position arrangements.

Related Party Transactions

Compensation to key management personnel were as follows:

January 31,	**2025**	**2024**
Compensation	$ 579,000	$ 497,475
Share-based payments (1)	351,930	289,963
Total	$ 930,930	$ 787,438

During the period, the Company paid or accrued $18,000 (2024 - $18,000) in fees to a director and a firm controlled by a director for certain services provided.

Included in accounts payable and accrued liabilities is $651,248 (January 31, 2024 - $252,481) payable to key management personnel for services rendered and interest payable.

In 2022, the Company raised US$1,500,000 (CA$2,085,000) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan was due on November 30, 2022 and bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. The loan has matured and is currently due on demand. The loan was assumed by the CEO and by the President on the same terms.

In 2022, the Company received a short-term demand loan of US$50,000 (CA$69,500) from Plateau Oil and Gas Co. Limited, a Company in Kansas controlled by an officer of PHC. This short-term loan is due on demand. There are no other repayment terms. The demand loan was repaid in Q2 2025.

During 2024, the Company received a short-term demand loan of US$50,000 (CA$66,985) from the Chairman of the Company's Board of Directors. This short-term loan is due on demand. There are no other repayment terms. The loan was assumed by the CEO and by the President on the same terms.

Directors are also focused on ensuring that sufficient cash is available to manage the projects. They are not paid for their services.

OUTSTANDING SHARE DATA

a) Outstanding Common Shares

	Number of shares
Balance, January 31, 2025	572,681,815
Balance, May 30, 2025	572,681,815

b) Warrants and Stock Options

There were 111,866,800 warrants outstanding and exercisable at various prices ranging from $0.06 to $0.10 at January 31, 2025 and May 30, 2025.

There were 81,700,000 stock options outstanding at a weighted average price of $0.07 as at January 31, 2025 and 96,950,000 at a weighted average price of $0.067 as at May 30, 2025.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	January 31, 2025	January 31, 2024	Fair value Hierarchy
Fair value through profit or loss (FVTPL):			
Loans and receivable, measured at amortized cost:			
Investment	**$34,994,960**	$13,560,543	(1)
Cash	**$ 7,393**	$ 3,263,929	
Helium and gas receivables	**$ -**	$ 28,082	
Other liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	**$ 2,574,567**	$ 1,643,033	
Loan payable	**$ 2,232,000**	$ 2,130,814	

(1) Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The Company uses Level 2 fair value hierarchy to determine the value of its investment due to observable transaction prices during the year. Level 3 fair value hierarchy was used to determine the value in 2023 due to a lack of observable market data at that time.

During 2022, the Company acquired an equity interest in Proton Green which was classified with level 3 of the fair value hierarchy. During the years ended January 31, 2022 and 2023, there were no changes in any inputs to the valuation model that would increase or decrease the valuation of the investment. During the year ended January 31, 2024, the investee became a publicly traded company and the investment was reclassified from level 3 to level 2 of the fair value hierarchy (see note 5).

Interest rate and credit risk
It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short-term nature.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper prices.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk
The Company has no income and relies on equity financing or the sale of its investments to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at January 31, 2025, the Company has sufficient capital to fund its operations over the next twelve months. The Company had a cash balance of $7,393 (January 31, 2024 - $3,263,929) and investments of $34,994,960 (January 31, 2024 - $13,560,543) to settle current liabilities of $10,031,439 (January 31, 2024 - $8,949,535) of which $5,224,872 is non-cash (January 31, 2024 - $5,175,688).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

Currency Risk
The Company engages in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico and the United States of Ameria; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, deposits and other receivables and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately $224,440 (January 31, 2024 - $207,654).

BUSINESS RISKS

The Company's business of exploring for mineral and natural gas resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, and the same applies to the oil and industry for the drilling of gas wells. For mining sector, these factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. For the gas sector, these factors include inherent risks involved in reopening old wells, drilling new wells and putting them into production. In addition, to those risks there also risks related to the supply chain, subcontractor availability, the geological environment, gas price fluctuation risks, and sale contracts, etc. Because of the existence of previously drilled wells on both Syracuse Extension Projects, the exploration risk is much less than the normal risk for gas projects in areas not-previously drilled. Also, because helium sale prices can be contracted for up to 10 years, helium price fluctuations risks can be mitigated substantially.

The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

The recoverability of financial amounts shown as mining interests and equipment or as oil and gas interests, are dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying assets, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or natural gas properties or projects, or that they can be secured on competitive terms.

INVESTMENT IN SAMALAYUCA COBRE S.A. DE C.V. (SCSA)

Prior to 2021, the Company had invested the majority of its cash inflows in SCSA and much of its focus had been directed to the Gloria project. To-date, this investment has not produced any returns and it is still uncertain when SCSA will be able to generate cash flows such that the Company may recover its investment. We cannot be assured that we will be able to extract copper from the identifiable reserves at rates that are commercially feasible. Further, the price of copper is dictated by factors beyond the control of the Company and these prices will determine the ultimate viability of the Company's investment in SCSA.

OUTLOOK

Since the acquisition of PHC in January 2021, VVC concentrated its efforts on the Syracuse Project in Kansas State by attempting to rework existing wells, acquiring leases drilling and completing 8 new wells, installing a 14-mile gas gathering system connected to the Tumbleweed Pipeline and a 14-mile salt water disposal system. VVC also acquired gas leases in the surrounding area in both Kansas and Colorado States, and subsequently drilled a well on the Stockholm Project and re-worked an oil well on the Ardery Project.

The Company recently changed its focus in Kansas State to 4 HIPS Projects. VVC is concentrating its efforts on leasing and potentially drilling some wells in an area around the Ithaca Project which comprises one (1) producing well over a 160-acre lease and 5 miles of pipeline that connects to IACX main pipeline.

Prior to the Covid Pandemic, the Company's primary focus was on preparation for Pilot Mining and Processing on the Gloria Copper Project located on the Kaity Property in Chihuahua State, Mexico. Developing the Gloria Project is dependent upon the Company's ability to raise significant funding through (i) a private placement financing; (ii) a Debt Financing that had been contemplated in March 2020, (iii) cash flow from PHC, and/or other sources. Due to the Pandemic, the potential investors for the Gloria Project backed away in March-April 2020. With limited access to the Gloria Project over the last few years, the Company's technical team in Mexico had worked on optimizing the pilot mining plan and recovery methodology, to speed up and maximize the potential copper recovery, with the objective of creating significant cash flows sooner to enhance the economics of the Project. The Company is looking various options to either farm-out, sell, enter into a partnership or joint venture the Gloria Project in order to start production.

The Cumeral Property in Sonora in Sinaloa / Sonora MX, is in good standing and is located in areas of Mexico where there is active exploration and opportunities for good projects are limited. With our main focus in Mexico the Gloria Copper Project, the Company is exploring other alternatives for Cumeral that could include joint venture opportunities with companies looking to acquire projects in Mexico.

For more information about these projects, refer to the Business Overview section from page 1 to 7.