

Lion Rock Resources Inc.

Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

**Notice of No Auditor Review of
Interim Financial Statements**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements, they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Lion Rock Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

Expressed in Canadian Dollars

	June 30, 2025	December 31, 2024
	(unaudited)	
Assets		
Current		
Cash	\$ 285,077	\$ 193,143
Goods and Services Tax receivable	41,472	15,718
Prepaid expenses (Note 11)	412,725	100,463
	739,274	309,324
Equipment	19,441	-
Exploration and evaluation assets (Note 6)	3,677,823	592,023
	3,697,264	592,023
	\$ 4,436,538	\$ 901,347
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 477,286	\$ 692,844
Loans payable (Note 7)	124,200	124,200
	601,486	817,044
Asset retirement obligation (Note 8)	1,850,000	1,850,000
	2,451,486	2,667,044
Shareholders' Equity (Deficit)		
Share capital (Note 9)	30,153,566	24,471,255
Share subscriptions (Note 9)	-	185,000
Reserves (Note 9)	1,062,782	38,936
Accumulated other comprehensive loss	(1,217)	-
Deficit	(29,230,079)	(26,460,888)
	1,985,052	(1,765,697)
	\$ 4,436,538	\$ 901,347

Note 2 – Going concern

Note 14 – Subsequent events

Approved and authorized by the board of directors on August 28, 2025:

*“R. Dale Ginn”*_____
Director*“Richard Boulay”*_____
Director

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

Lion Rock Resources Inc.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Expenses				
Accounting and audit fees (Note 11)	\$ 39,630	\$ 57,120	\$ 63,805	\$ 77,815
Consulting fees (Note 11)	144,000	109,000	389,200	279,500
Depreciation	538	-	1,076	-
Exploration and evaluation expenditures (Notes 6 and 11)	498,907	61,500	752,574	159,278
Foreign exchange	79	-	4,108	-
Legal fees	22,327	25,118	60,133	67,542
Office and general (Note 11)	11,942	4,093	26,776	12,534
Public company costs	47,834	19,625	78,048	45,435
Rent (Note 11)	31,640	12,000	53,867	24,000
Share-based payments (Notes 10 and 11)	335,188	-	1,045,501	-
Shareholder communications and investor relations (Note 11)	149,307	13,069	194,977	18,571
Travel and meals	98,488	18,782	120,781	39,146
Net loss for the period	(1,379,880)	(320,307)	(2,790,846)	(723,821)
Other Comprehensive Loss				
Exchange difference on translating foreign operations	(623)	-	(1,217)	-
Comprehensive Loss for the Period	\$(1,380,503)	\$ (320,307)	\$(2,792,063)	\$ (723,821)
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.02)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	76,038,630	41,868,685	66,252,862	37,811,542

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

Lion Rock Resources Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited – Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Share Subscriptions Received \$	Reserves \$	Deficit \$	Accumulated Other Comprehensive Loss \$	Total \$
Balance, December 31, 2023	31,468,685	23,517,691	-	-	(24,243,736)	-	(726,045)
Shares issued for cash (Note 9(b))	10,000,000	1,000,000	-	-	-	-	1,000,000
Share issuance costs (Note 9(b))	400,000	(46,436)	-	38,936	-	-	(7,500)
Net loss for the period	-	-	-	-	(723,821)	-	(723,821)
Balance, June 30, 2024	41,868,685	24,471,255	-	38,936	(24,967,557)	-	(457,366)
Share subscriptions received	-	-	185,000	-	-	-	185,000
Net loss for the period	-	-	-	-	(1,493,331)	-	(1,493,331)
Balance, December 31, 2024	41,868,685	24,471,255	185,000	38,936	(26,460,888)	-	(1,765,697)
Shares issued for cash (Note 9(b))	23,990,000	2,617,500	(185,000)	-	-	-	2,432,500
Share issuance costs (Note 9(b))	-	(15,389)	-	-	-	-	(15,389)
Shares issued for exploration and evaluation assets (Note 9(b))	13,001,000	3,080,200	-	-	-	-	3,080,200
Stock options granted	-	-	-	1,045,501	-	-	1,045,501
Transfer of fair value upon expiry of stock options	-	-	-	(21,655)	21,655	-	-
Net loss for the period	-	-	-	-	(2,790,846)	-	(2,790,846)
Exchange difference on translating foreign operations	-	-	-	-	-	(1,217)	(1,217)
Balance, June 30, 2025	78,859,685	30,153,566	-	1,062,782	(29,230,079)	(1,217)	1,985,052

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

Lion Rock Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Ended June 30,
(Unaudited – Expressed in Canadian Dollars)

	2025	2024
Operating Activities		
Net loss for the period	\$ (2,790,846)	\$ (723,821)
Items not involving cash		
Depreciation	1,076	-
Foreign exchange	(206)	-
Share-based payments	1,045,501	-
Changes in non-cash operating working capital		
Goods and Services Tax receivable	(25,754)	(3,118)
Prepaid expenses	(312,262)	(6,532)
Accounts payable and accrued liabilities	(215,558)	65,742
Net Cash Used in Operating Activities	(2,298,049)	(667,729)
Investing Activities		
Cash acquisition costs related to exploration and evaluation assets	-	(34,022)
Purchases of equipment	(21,528)	-
Exploration and evaluation asset expenditures	(5,600)	-
Net Cash Used in Investing Activities	(27,128)	(34,022)
Financing Activities		
Shares issued for cash	2,432,500	1,000,000
Share issuance costs	(15,389)	(7,500)
Net Cash Provided by Financing Activities	2,417,111	992,500
Increase in Cash	91,934	290,749
Cash, Beginning of Period	193,143	239,671
Cash, End of Period	\$ 285,077	\$ 530,420
Non-cash Investing and Financing Activities and Supplemental Disclosures		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Finders' warrants issued	\$ -	\$ 38,936
Shares issued for exploration and evaluation assets	\$ 3,080,200	\$ -

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

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Six Months Ended June 30, 2025 and 2024 (Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Lion Rock Resources Inc. (“Lion Rock” or the “Company”) was incorporated in Canada pursuant to the *Canada Business Corporations Act* on March 20, 1998. On August 11, 2020, the Company continued from being incorporated under Canadian federal jurisdiction to being incorporated under the *Business Corporations Act* of British Columbia. The Company is a public company, and as of July 12, 2022, is listed on the TSX Venture Exchange (“TSX-V”) in Canada with the symbol “ROAR” and the OTCQB in the United States with the symbol “LRRIF”. The Company is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company changed its name from King’s Bay Resources Corp. to Lion Rock Resources Inc. on July 7, 2022.

The head office, principal address, and registered and records office of the Company are located at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

2. GOING CONCERN

The Company has not generated any revenues and has a net loss of \$2,790,846 during the six months ended June 30, 2025 (2024 - \$723,821) and accumulated deficit of \$29,230,079 (December 31, 2024 - \$26,460,888) since inception. As at June 30, 2025, the Company has a working capital of \$137,788 (December 31, 2024 - deficit of \$507,720). These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively seeking to raise the necessary capital to meet its funding requirements. The conditions described above indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company is not expected to be profitable during the ensuing twelve months, and therefore, must rely on securing additional funds from either debt or equity financings for cash consideration. While the Company is expanding its best efforts to achieve the continued financing, there is no assurance that any such activity will generate sufficient funds for future operations.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

3. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the IFRS Interpretations Committee, applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION – continued

Basis of Measurement and Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Lion Rock Exploration Inc. (“LRE”) and Lion Rock Resources (SD) Inc. (“LRSD”), for the periods presented. Intercompany balances and transactions are eliminated in preparation of the Company’s condensed consolidated interim financial statements.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Approval of the Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements of Lion Rock as at June 30, 2025 and for the six months then ended were authorized for issue in accordance with a resolution of the directors on August 28, 2025.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Asset Retirement Obligation

The calculations for asset retirement obligation require significant estimates and assumptions, including estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, and the effectiveness of maintenance and restoration measures. Changes to these variables could impact the amounts actually paid by the Company. Additionally, environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions.

Management Judgments

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

- The assessment of the Company’s ability to continue as a going concern requires significant judgment. The condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in Note 2.
- The application of the Company’s accounting policy for exploration and evaluation assets and impairment of the capitalized costs requires judgment in determining whether there are indicators of impairment under IFRS 6 *Exploration for and Evaluation of Mineral Resources*.
- The determination of the asset retirement obligation on the Maybrun Property requires management judgment on the timing and amount of remediation costs, as disclosed in Note 8.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Six Months Ended June 30, 2025 and 2024 (Unaudited – Expressed in Canadian Dollars)

5. MATERIAL ACCOUNTING POLICIES

The policies applied in these condensed consolidated interim financial statements are consistent with policies disclosed in Note 5 of the consolidated financial statements for the year ended December 31, 2024, unless otherwise noted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements as at December 31, 2024 and for the year then ended.

Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively.

Depreciation is provided for using the declining-balance method at the following rate per annum:

Office equipment	20%
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Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries, LRE and LRSD, are the Canadian dollar and US dollar, respectively, which is the local currency of their home jurisdictions. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's condensed consolidated interim financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at each reporting period-end at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

Accounting Standards Issued but not yet Effective

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its future consolidated financial statements.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Maybrun Property

As a result of the acquisition of LRE on July 7, 2022, the Company acquired 100% of the interest in the Maybrun Property, a mineral exploration property located in Ontario, Canada.

The Company has no further exploration plans for the Maybrun Property. Accordingly, at December 31, 2023, the Maybrun Property was deemed to be impaired and written down to \$1.

Subsequent to June 30, 2025, the Company entered into an agreement to sell the Maybrun Property (Note 14(d)).

Revell Property

On June 8, 2023, and as amended on June 21, 2024 and September 30, 2024, the Company entered into an option agreement to acquire a 100% interest in the Revell Property located in Ontario, Canada. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,600,000 common shares of the Company within five days of approval by the TSX-V, which was received on June 21, 2023 (issued and valued at \$192,000);
- Pay \$150,000 on or before December 21, 2023 (paid);
- Pay \$100,000 on or before October 1, 2024 (paid in the year ended December 31, 2023); and
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued and valued at \$560,000).

The claims are subject to a 2% net smelter return (“NSR”) royalty, of which one-half (1%) can be purchased by the Company for \$500,000.

Fleuron Property

On June 13, 2023, and as amended on July 19, 2024 and September 30, 2024, the Company entered into an option agreement to acquire a 100% interest in the Fleuron Property, located in Québec, Canada. Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue 1,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on July 19, 2023 (issued and valued at \$180,000);
- Pay \$100,000 on or before January 19, 2024 (paid);
- Pay \$150,000 on or before October 1, 2024 (paid);
- Issue 2,000,000 common shares of the Company on or before June 1, 2025 (issued and valued at \$560,000); and
- Pay \$150,000 (paid) and issue 2,000,000 common shares of the Company on or before July 19, 2025 (issued and valued at \$560,000).

The claims are subject to a 2% NSR royalty, of which one-half (1%) can be purchased by the Company for \$500,000.

At December 31, 2024, the Company recorded impairment on the property of \$464,000, as the Company planned to let certain claims lapse and focus on a portion of the Fleuron Property.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

Volney Property

On January 26, 2024, the Company entered into a non-binding letter of intent (“LOI”) to acquire the Volney lithium property, located in South Dakota, USA. The LOI provided for the parties to enter into a formal option agreement under which the Company could acquire the Volney Property. The Company paid US\$25,000 upon execution of the LOI. On October 7, 2024, the Company entered into an option agreement to acquire a 100% interest in the Volney Property. On March 12, 2025, the Company received TSX-V approval.

Under the terms of the agreement, the Company is required to make cash payments and issue common shares of the Company as follows:

- Issue common shares of the Company equal to 9.9% of the issued and outstanding common shares of the Company on an undiluted, post-transaction basis within five business days of TSX-V approval (issued 7,001,000 common shares of the Company valued at \$1,400,200);
- Pay US\$400,000 by September 12, 2025;
- Issue common shares of the Company within 10 business days of March 12, 2026, equal to the greater of:
 - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
 - the amount equal to a value of US\$500,000;
- Pay US\$1,050,000 by September 12, 2026;
- Issue common shares of the Company within 10 business days of March 12, 2027, equal to the greater of:
 - The number of shares required for the vendors to maintain their shareholdings at an amount equal to 9.9% of the then issued and outstanding common shares of the Company on an undiluted basis; and
 - the amount equal to a value of US\$750,000; and
- Pay US\$1,950,000 by September 12, 2027.

Also under the terms of the agreement, the Company will be required to incur exploration expenditures as follows:

- Incur US\$1,000,000 of exploration expenditures on the property on or before March 12, 2026; and
- Incur US\$1,500,000 of exploration expenditures on the property on or before March 12, 2027.

The optionor retains:

- A 2% NSR royalty for gold mined from the property subject to a buy-back option exercisable upon the commencement of commercial production for a period of five years in favour of the Company equal to one-half (1%) of the NSR royalty for US\$1,000,000; and
- A 2% gross proceeds (“GP”) royalty on all other minerals mined from the property subject to a buy-back option exercisable upon the commencement of commercial production for a period of five years in favour of the Company equal to one-half (1%) of the GP royalty for US\$1,000,000.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

A summary of exploration and evaluation assets for the six months ended June 30, 2025 and year ended December 31, 2024 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Volney Property	Total
Balance, December 31, 2023	\$ 1	\$ 442,000	\$ 280,000	\$ -	\$ 722,001
Acquisition Costs					
Acquisition – cash	-	-	300,000	34,022	334,022
Impairment	-	-	(464,000)	-	(464,000)
Balance, December 31, 2024	1	442,000	116,000	34,022	592,023
Acquisition Costs					
Acquisition – shares	-	560,000	1,120,000	1,400,200	3,080,200
Staking	-	5,600	-	-	5,600
Balance, June 30, 2025	\$ 1	\$ 1,007,600	\$ 1,236,000	\$ 1,434,222	\$ 3,677,823

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

A summary of exploration and evaluation expenditures for the six months ended June 30, 2025 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Volney Property	Total
Exploration Costs					
Claim costs	\$ 1,209	\$ -	\$ -	\$ -	\$ 1,209
Drilling	-	-	-	97,357	97,357
Geological	-	-	-	458,788	458,788
Geophysical	-	-	55,223	80,089	135,312
Mineralogy	-	-	-	31,699	31,699
Travel	-	-	-	28,209	28,209
Balance, June 30, 2025	\$ 1,209	\$ -	\$ 55,223	\$ 696,142	\$ 752,574

A summary of exploration and evaluation expenditures for the six months ended June 30, 2024 is as follows:

	Maybrun Property	Revell Property	Fleuron Property	Volney Property	Other	Total
Exploration Costs						
Claim costs	\$ 1,209	\$ -	\$ -	\$ 9,752	\$ -	\$ 10,961
Environmental	12,942	-	-	-	-	12,942
Geological	45,000	15,000	15,000	-	59,875	134,875
Mineralogy	-	-	-	-	500	500
Balance, June 30, 2024	\$ 59,151	\$ 15,000	\$ 15,000	\$ 9,752	\$ 60,375	\$ 159,278

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements For the Six Months Ended June 30, 2025 and 2024 (Unaudited – Expressed in Canadian Dollars)

7. LOANS PAYABLE

Upon the acquisition of LRE, the Company assumed loans payable of \$179,000. The amounts are unsecured, non-interest-bearing and due on demand. On September 7, 2023, the Company repaid loans payable of \$54,800.

8. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation provision consists of costs associated with mine reclamation and closure activities. These activities, which are site specific, generally include costs for earthworks, revegetation, water treatment, waste management and demolition.

The Company estimated the fair value of the asset retirement obligation for the Maybrun Property to be \$1,850,000 at June 30, 2025 (December 31, 2024 - \$1,850,000). The fair value of the liability was determined to be equal to the estimated remediation costs.

Subsequent to June 30, 2025, the Company entered into an agreement to sell the Maybrun Property (Note 14(d)). The purchaser assumes all existing and future liabilities, which includes the asset retirement obligation.

9. SHARE CAPITAL

a) Authorized

Unlimited number of Class A common voting shares with no par value

Unlimited number of Class B common non-voting shares with no par value

b) Issued and outstanding

During the six months ended June 30, 2025:

On February 6, 2025, Company closed the first tranche of a non-brokered private placement of 21,600,000 units at a price of \$0.10 per unit for gross proceeds of \$2,160,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of \$0.20 for a period of two years from closing. The Company incurred additional share issuance costs of \$15,389. The Company received \$185,000 of share subscriptions related to the private placement in the previous fiscal year.

On February 14, 2025, Company closed the second tranche of a non-brokered private placement of 250,000 units at a price of \$0.10 per unit for gross proceeds of \$25,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of \$0.20 for a period of two years from closing.

On March 10, 2025, the Company issued 7,001,000 common shares valued at \$1,400,200 for the Volney Property (Note 6).

On April 29, 2025, the Company issued 2,000,000 common shares for the Revell Property and 4,000,000 common shares for the Fleuron Property valued at \$560,000 and \$1,120,000, respectively (Note 6).

During the six months ended June 30, 2025, the Company received proceeds of \$432,500 from the exercise of 2,140,000 warrants.

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

9. SHARE CAPITAL – continued

b) Issued and outstanding – continued

During the year ended December 31, 2024:

On March 11, 2024, Company closed a non-brokered private placement of 10,000,000 units at a price of \$0.10 per unit for gross proceeds of \$1,000,000. Each unit consisted of one common share and one warrant, with each warrant exercisable into one additional common share at a price of \$0.20 for a period of two years from closing. The Company issued 400,000 common shares and 400,000 warrants as finders' fees. Each finder's warrant is exercisable into one additional common share at a price of \$0.20 for a period of two years. The finder's warrants were valued at \$38,936 and the Company incurred additional share issuance costs of \$7,500.

c) Warrants

A summary of the Company's outstanding and exercisable warrants movements for the six months ended June 30, 2025 and year ended December 31, 2024 is as follows:

	June 30, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of period	24,100,000	0.21	13,700,000	0.21
Issued	21,850,000	0.20	10,400,000	0.20
Exercised	(2,140,000)	0.20	-	-
Balance, end of period	43,810,000	0.20	24,100,000	0.21

The following warrants were outstanding and exercisable at June 30, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price \$	Warrants
July 8, 2025 ^{1,2}	0.02	0.25	2,910,000
August 23, 2025 ²	0.15	0.20	9,500,000
March 11, 2026	0.70	0.20	9,800,000
February 6, 2027	1.61	0.20	21,350,000
February 14, 2027	1.63	0.20	250,000
	0.98	0.20	43,810,000

¹ During the year ended December 31, 2024, the Company extended the expiry date of 3,000,000 warrants to July 8, 2025 (original expiry date of July 8, 2024).

² See Note 14(b).

Lion Rock Resources Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2025 and 2024
(Unaudited – Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS

Stock Options

The Company has a stock option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant stock options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equalling a rolling percentage of 10% of the Company’s outstanding common shares, calculated from time to time. If outstanding stock options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the stock options available to grant under the Plan increase proportionately. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over twelve months with one-quarter of the options vesting in any three-month period.

A summary of the Company’s outstanding and exercisable stock option movements for the six months ended June 30, 2025 and year ended December 31, 2024 is as follows:

	June 30, 2025		December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	-	-
Issued	6,700,000	0.22	-	-
Expired	(150,000)	0.20		
Balance, end of period	6,550,000	0.22	-	-

The fair value calculated for stock options granted during the six months ended June 30, 2025 was \$1,045,501 (year ended December 31, 2024 - \$nil) using the Black-Scholes Option Pricing Model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	June 30, 2025	December 31, 2024
Risk-free interest rate	2.53%	N/A
Expected life of options	3 Years	N/A
Annualized volatility	122%	N/A
Dividend rate	Nil	N/A
Weighted average grant date fair value	\$0.16	N/A

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10. SHARE-BASED PAYMENTS – continued

Stock Options – continued

The following stock options were outstanding and exercisable at June 30, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price \$	Outstanding	Exercisable
November 9, 2025	0.36	0.20	150,000	150,000
March 10, 2028	2.70	0.20	5,400,000	5,400,000
May 16, 2028	2.88	0.31	1,000,000	1,000,000
	2.67	0.22	6,550,000	6,550,000

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of operations and comprehensive loss for the six months ended June 30, 2025 and 2024:

	2025	2024
Short-term compensation		
Accounting fees	\$ 30,000	\$ 28,000
Consulting fees	120,000	95,000
Exploration and evaluation expenditures (geological)	-	30,000
	150,000	153,000
Share-based payments	350,725	-
	\$ 500,725	\$ 153,000

During the six months ended June 30, 2025, the Company incurred \$24,000 (2024 - \$24,000) in rent to companies with a common officer and common director. As at June 30, 2025, \$nil (December 31, 2024 - \$8,400) was payable to a company with a common officer for rent.

During the six months ended June 30, 2025, the Company incurred \$5,000 (2024 - \$nil) in office and general and \$5,000 (2024 - \$nil) in shareholder communications and investor relations to a company controlled by a director of the Company.

As at June 30, 2025, the Company has outstanding amounts payable to officers of the Company of \$47,075 (December 31, 2024 - \$158,110).

At June 30, 2025, the Company has an amount payable of \$14,945 (December 31, 2024 - \$14,945) to a private company controlled by directors of the Company and an amount prepaid of \$64,018 (December 31, 2024 - \$nil) to a private company controlled by a director of the Company.

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11. RELATED PARTY TRANSACTIONS – continued

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

12. SEGMENTED INFORMATION

The Company operates in one business segment, being the exploration and development of resource properties. Geographical information related to the Company's non-current assets is as follows:

	June 30, 2025	December 31, 2024
Exploration and evaluation assets – Canada	\$ 2,243,601	\$ 558,001
Exploration and evaluation assets – USA	1,434,222	34,022
Equipment – USA	19,441	-
	<u>\$ 3,697,264</u>	<u>\$ 592,023</u>

13. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The board of directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balance. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has a cash balance and is not exposed to any significant interest rate risk.

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13. FINANCIAL RISK MANAGEMENT – continued

d) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at June 30, 2025, the Company's shareholders' equity was \$1,985,052 (December 31, 2024 - deficit of \$1,765,697). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has not generated any revenues and cash flows since its inception; therefore, the Company is dependent on external financing to fund its business plan. The capital structure of the Company currently consists of working capital and shareholders' equity (deficit). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

e) Fair value

The fair values of the Company's financial assets and liabilities measured at amortized cost approximate their carrying amounts.

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

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

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

Cash is grouped into Level 1 as at June 30, 2025 and December 31, 2024.

Financial instruments that are not measured at fair value on the condensed consolidated interim statement of financial position are represented by accounts payable and accrued liabilities and loans payable. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

f) Currency exchange risk

Currency exchange risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and the USA and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the US dollar will have an impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

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14. SUBSEQUENT EVENTS

- a) Subsequent to June 30, 2025, the Company issued 282,000 common shares upon the exercise of 282,000 warrants for gross proceeds of \$61,500.
- b) Subsequent to June 30, 2025, 12,308,000 warrants expired unexercised.
- c) Subsequent to June 30, 2025, the Company adopted a Long-term Incentive Plan (“LTIP”). The LTIP is a combined rolling and fixed security-based compensation plan pursuant to which:
 - the aggregate number of common shares reserved for issuance pursuant to stock options granted thereunder may not exceed, at the time of grant, in aggregate 10% of the Company’s issued and outstanding common shares; and
 - the aggregate number of common shares reserved for issuance pursuant to all other equity incentive awards granted under the LTIP, which include performance share units, restricted share units and deferred share units, cannot exceed 7,787,268 common shares.
- d) Subsequent to June 30, 2025, the Company entered into an agreement to sell the Maybrun Property (Note 6). The purchaser will use commercially reasonable efforts to sell the Maybrun Property to a corporation listed for trading on a recognized stock exchange in Canada or the United States (a “Subsequent Buyer”), and the purchaser will also assume and agree to pay, perform and discharge when due any and all existing and future liabilities arising out of or relating to the ownership of the Maybrun Property (Note 8).

In the event that the purchaser successfully sells all or a portion of the Maybrun Property to a Subsequent Buyer, the purchaser shall cause the Subsequent Buyer to issue to the Company, on or before the second anniversary of the date on which the Subsequent Buyer and purchaser enter into an agreement setting out the terms of the subsequent sale, that number of fully paid and non-assessable common shares of the Subsequent Buyer having an aggregate value of \$200,000.