International Zeolite Corp.

Interim Unaudited
Consolidated Financial Statements

(Expressed in Canadian Dollars)

As at and for the three and nine months ended

March 31, 2025 and 2024

International Zeolite Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	March 31, 2025	June 30, 2024
Assets		
Current		
Cash and cash equivalents	**$ 262,636**	$ 117,043
Accounts receivable (note 13)	**45,169**	10,264
Inventory (note 14)	**91,002**	106,465
Prepaid expenses	**3,959**	4,757
	$ 402,766	$ 238,529
Non-current		
Exploration and evaluation assets (note 6)	**185,358**	188,800
Reclamation and other deposits (note 7)	**22,259**	22,259
Property and equipment (note 10)	**53,476**	59,118
	$ 663,859	$ 508,706
Liabilities		
Current		
Accounts payable and accrued liabilities (note 8)	**$ 1,292,634**	$ 1,118,668
Short-term promissory note (note 9)	**66,000**	66,000
Short-term loan (note 9)	**349,000**	333,250
RBC bank loan – current portion (note 9)	**7,324**	6,820
Related party bridge loan (note 9)	**40,000**	40,000
Related party promissory notes (note 8 and 9)	**838,350**	719,280
	$ 2,593,308	$ 2,284,018
Non-Current		
Related party promissory notes (note 8)	**225,872**	344,000
RBC bank loan – non-current portion	**24,643**	30,518
Decommissioning provision (note 7)	**38,500**	38,500
	$ 2,593,308	$ 2,697,036
Shareholders' Deficiency		
Share capital (note 12)	**$ 15,308,435**	$ 15,308,435
Contributed surplus	**3,240,110**	3,240,110
Deficit	**(20,767,009)**	(20,736,875)
	$ (2,218,464)	$ (2,188,330)
	$ 663,859	$ 508,706

Nature of operations and going concern (note 1)

These Financial Statements were authorized for issue by the Board of Directors on May 15, 2025. They are signed on behalf of the Board of Directors by:

(Signed) "*Ray Paquette*", Director (Signed) "*David Kepkay*", Director

International Zeolite Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended Mar 31, 2025	Three months ended Mar 31, 2024	**Nine months ended Mar 31, 2025**	Nine months ended Mar 31, 2024
Revenue				
Sales	**$ 481,424**	$ 138,717	**$ 970,827**	$ 499,856
Commissions and others (note 7)	**633**	1,009	**2,451**	1,009
Total Revenue	**$ 482,057**	$ 139,726	**$ 973,278**	$ 500,865
Cost of Product Sold				
Cost of product sold	**(275,578)**	(71,888)	**(570,709)**	(248,983)
Gross Margin	**$ 206,479**	$ 67,838	**$ 402,569**	$ 251,882
Expenses				
Administrative (note 8)	**$ 54,637**	$ 80,782	**$ 213,904**	$ 244,457
Management fees (note 8)	**-**	27,000	**-**	81,000
Consulting fees	**2,772**	27,000	**2,772**	81,000
Professional fees	**20,650**	15,511	**74,675**	115,734
Sales and Marketing	**12,046**	10,313	**29,117**	21,763
Investor relations	**-**	-	**-**	300
Depreciation of property and equipment	**1,881**	1,880	**5,642**	5,602
Research costs	**-**	-	**13,000**	115,416
Selling and distribution expenses	**48,148**	17,950	**48,148**	89,831
Share-based compensation (note 12)	**-**	24,960	**-**	41,200
Amortization of right-of-use assets (note 11)	**-**	-	**-**	27,822
	$ 140,134	$ 205,396	**$ 387,258**	$ 824,125
Net gain (loss) before finance costs	**$ 66,345**	$ (137,558)	**$ 15,311**	$ (572,243)
Interest on promissory notes (note 8 & 9)	**18,139**	18,139	**54,419**	54,419
Interest on loan (note 9)	**6,561**	12,125	**20,047**	22,788
Interest on finance lease (note 11)	**-**	-	**-**	2,336
Grants and tax credits (note 19)	**29,963**	(20,000)	**29,963**	(45,334)
Promissory notes amortized cost accretion (note 8 & 9)	**314**	-	**942**	4,216
Bad debt recovery	**-**	-	**-**	(76,790)
Gain on right-of-use derecognition (note 11)	**-**	-	**-**	(3,851)
Net gain (loss) and comprehensive loss	**$ 71,294**	$ (147,822)	**$ (30,134)**	$ (530,027)
Gain (loss) per share - basic and diluted	**$ 0.002**	$ (0.003)	**$ (0.001)**	$ (0.012)
Weighted average number of common shares outstanding	**42,406,962**	42,406,962	**42,406,962**	42,406,962

International Zeolite Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended March 31,	2025	2024
Cash provided by (used for):		
Operating activities		
Net and comprehensive loss	**$ (30,134)**	$ (530,027)
Adjustment for items not affecting cash:		
Depreciation of property and equipment	**5,642**	5,602
Amortization of right-of-use assets	**-**	27,822
Interest on loans	**76,466**	21,750
Interest expense on finance lease	**-**	2,336
Interest accrued on promissory note	**-**	54,419
Share-based compensation	**-**	41,200
Promissory notes accretion	**942**	4,217
Gain on derecognition of ROU assets	**-**	(3,851)
CEBA loan forgiveness	**-**	(20,000)
	50,916	(396,533)
Changes in working capital items		
Accounts payable and accrued liabilities	**119,547**	174,566
Accounts receivable and other receivables	**(34,905)**	24,464
Inventory	**15,463**	22,390
Prepaid expenses	**798**	(14,369)
Reclamation and other deposits	**-**	15,000
	151,819	174,482
Financing activities		
Lease liability payments	**-**	(30,000)
Proceeds from bridge loan	**-**	50,000
Proceeds from bank loan	**-**	40,000
Repayment of CEBA loan	**-**	(40,000)
Repayment of loan principal	**(9,668)**	(1,058)
	(9,668)	18,942
Investing activities		
Exploration and evaluation expenditures	**(96)**	5,464
E&E property option payments received	**-**	93,451
Royalties and E&E cost recoveries	**3,538**	8,385
Purchase of property and equipment	**-**	(956)
Proceeds from loan receivable	**-**	76,790
	3,442	183,134
(Decrease) / increase in cash and cash equivalents	**145,593**	27,594
Cash, beginning of period	**117,043**	112,472
Cash, end of period	**$ 262,636**	$ 140,066

Supplemental cash flow information (note 5)

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Number of shares	Share capital $	Contributed surplus $	Deficit $	Total $
Balance June 30, 2023	**42,406,962**	**15,308,435**	**3,198,910**	**(20,241,294)**	**(1,733,949)**
Share based compensation	-	-	41,200	-	41,200
Net loss for the period	-	-	-	(530,027)	(530,027)
Balance March 31, 2024	**42,406,962**	**15,308,435**	**3,240,110**	**(20,771,321)**	**(2,222,776)**
Net and comprehensive loss	-	-	-	34,447	34,447
Balance June 30, 2024	**42,406,962**	**15,308,435**	**3,240,110**	**(20,736,875)**	**(2,188,330)**
Net loss for the period	-	-	-	(30,134)	(30,134)
Balance March 31, 2025	**42,406,962**	**15,308,435**	**3,240,110**	**(20,767,009)**	**(2,218,464)**

1. Nature of operations and going concern

International Zeolite Corp. (the "Company" or International Zeolite") was originally incorporated in Alberta under the name "Adamas Resources Inc." by Certificate of Incorporation dated June 5, 1987. Since incorporation, the Company has undergone a number of name changes - to "Zeacan Products Ltd." on March 1, 1989, to "Canadian Zeolite Ltd." on June 15, 1993, to "The Canadian Mining Company Ltd." on November 19, 1996, to "Zeo-Tech Enviro Corp." on April 10, 2000, and to "Canadian Mining Company Inc." on January 31, 2007. On February 6, 2016, the Company changed its name to "Canadian Zeolite Corp." and the Company was continued out of the jurisdiction of Alberta and into the jurisdiction of British Columbia. On March 6, 2018, the Company swapped corporate names with its B.C. subsidiary, International Zeolite Corp., changing its name to International Zeolite Corp. while the subsidiary became Canadian Zeolite Corp.

The Company is a vertically integrated, publicly traded industrial minerals company whose principal business activities are the exploration and development of mineral properties and the development, marketing and sales of industrial commercial products from the production of its properties and the supply of raw materials from third party suppliers.

The head office of the Company is located at Suite 900-1021 West Hastings St Vancouver, BC V6E OC3.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The common shares of the Company are listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "IZ", the Frankfurt Exchange under the trading symbol "ZEON" and on the OTC Pink platform in the United States under the symbol "IZCFF".

The Company's website is http://internationalzeolite.com/.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has generated limited revenue from operations and incurred a net income and comprehensive income of $71,294 during the three months ended March 31, 2025 (2024 - net loss and comprehensive loss of $147,822) and net loss and comprehensive loss of $30,134 during the nine months ended March 31, 2025 (2024 - $530,027), and as of that date, the Company had a working capital deficiency of $2,190,542 (June 30, 2024 – $2,045,489) and accumulated deficit of $20,767,009 (June 30, 2024 - $20,736,875). These conditions indicate material uncertainties exist that cast material doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and creditors, and on achieving profitable commercial operations. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer material dilution.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, net and comprehensive loss and statement of financial position classifications used. These realization values may be substantially different from carrying values as shown in these consolidated financial statements.

The recoverability of the amounts reported for exploration and evaluation assets is dependent upon the quantity of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties, the timing of legislative or regulatory developments relating to environmental protection and achieving future profitable operations or receiving favorable proceeds from the disposition thereon.

2. Basis of presentation

Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of May 15, 2025, the date the Board of Directors approved the financial statements.

Basis of consolidation
Subsidiaries are entities controlled by the Company where control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. These Financial Statements include the accounts of International Zeolite Corp. and its wholly owned subsidiaries, Earth Innovations Inc., Canadian Zeolite Corp., and Canmin Mexico S.A. All material inter-company transactions and balances have been eliminated upon consolidation.

On December 11, 2017, the Company acquired 100% of the issued share capital of Earth Innovations Inc. ("EII").

Basis of measurement
These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments that are measured at fair value, as explained in the material accounting policies (note 3).

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and EII's functional currency.

Material accounting estimates and judgments
The preparation of consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the consolidated financial statements are disclosed in note 4.

3. Material accounting policies

Financial instruments

Recognition
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a de-recognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

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

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company’s financial instruments consist of the following:

Financial Instrument	
Cash and cash equivalent	FVTPL
Accounts receivables and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Reclamation and other deposits	Amortized cost
Promissory notes	Amortized cost
Short and long term debt	Amortized cost
CEBA loan	Amortized cost

Impairment

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

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

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is material to the measurement of fair value.

As of March 31, 2025, except for cash, none of the Company's financial instruments are recorded at fair value in the statements of financial position. Cash is classified as Level 1.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an immaterial risk of change in value.

Property and equipment
Property and equipment ("PPE") are recorded at cost less accumulated depreciation and accumulated impairment charges, if any.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided using the following methods and estimated useful life:

Asset	Basis	Rate
Computer equipment and software	Straight line	3 years
Furniture and fixtures	Straight line	10 years
Research and manufacturing equipment	Straight line	5-10 years

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item 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 property and equipment is de-recognized 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 profit or loss in the statements of comprehensive loss.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost. Subsequent to initial application, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. In comparison, the lease liability is increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which materially affects the amount of lease liabilities and right-of-use assets recognized.

All the components of the lease liability are required to be discounted to reflect the present value of the payments. The discount rate to use is the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The definition of the lessee's incremental borrowing rate states that the rate should represent what the lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Material judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

Research and development costs
Research costs are expensed as incurred. Development costs are expensed as incurred except for those which meet the criteria for deferral, in which case, the costs are capitalized and amortized to operations over the estimated period of benefit. No costs have been deferred to date.

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation assets and expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the consolidated statement of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction".

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs. Any excess amounts of revenue over capitalized exploration costs are recognized in profit and loss.

Impairment of non-current assets
An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value, less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Reclamation deposits
Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits.

Provisions

Rehabilitation provision
The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

Other provisions
Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Income taxes
Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of reporting year. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of loss.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Loss per share
Loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Comprehensive loss
Comprehensive loss consists of net loss and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the periods presented, the Company did not have any transactions or events from sources other than the Company's shareholders.

Foreign currency transactions
Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in the consolidated statement of loss and comprehensive loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated.

Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Promissory note
At the date of issue, the fair value of the liability is estimated using the prevailing market interest rate for similar debt instrument. The amount is recorded as a liability on the amortized cost basis using the effective interest rate method until extinguishment or at the instrument's maturity date.

Share capital
Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments
Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Valuation of equity units issued in private placement
The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of common shares issued in private placement was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing bid price on the issuance date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to contributed surplus.

The Company's policy is to value warrants modifications and record the adjustments to the change in fair value as a result of revisions made to the warrants terms with the corresponding reduction in the contributed surplus.

Revenue recognition
Revenue is comprised of sales of zeolite product, commissions earned on sales of zeolite product, and royalties earned on bulk zeolite material shipped from the Company's site in Princeton.

The Company recognized revenue at the fair value of the consideration received or receivable, when a performance obligation is satisfied. The Company accounts for revenue from a contract with a customer only when the following criteria are met:

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substances; and
- it is probably that the consideration for which the company is entitled to in exchange for the goods or services will be collected

Revenue from sales of zeolite product and commissions earned is recognized on delivery at the customer's location on the basis that the Company has satisfied all performance obligations at the point.

Revenue from royalties is recognized upon shipment of bulk zeolite material from the Company's site in Princeton. Royalty revenues received are set off against the Company's exploration and evaluation assets.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill
Goodwill arising from a business combination is recognized at cost as established at the date of acquisition of the business (see Business Combinations) less accumulated impairment losses, if any.

For impairment testing purposes, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. The Company has determined only one group of cash-generating units, which is the reportable segment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of loss and comprehensive loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company has selected June 30 as the date for performing its annual impairment test for goodwill.

Inventory

Inventories consist of raw materials and finished goods and are valued at the lower of cost and net realizable value. Cost is determined principally on a weighted average basis. The cost is comprised of the purchase price plus the direct costs incurred in bringing the inventories to the present location and condition, direct labour and factory overhead. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

A provision for obsolescence is calculated based on historical experience. Management reviews the entire provision to assess whether, based on economic conditions, it is adequate. Write-downs may be reversed in future years if the circumstances which caused them no longer exist.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise material influence over the other party in making financial and operating decisions. Related parties, which may be individuals or corporate entities, are also considered to be related if they are subject to common control or common material influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Government grants and assistance

Grants are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions. Fair value signifies the amount received in cash.

Grants relating to expenses are recognized under the income approach under which the grants are recognized in statements of comprehensive loss on a systematic basis over the periods in which the Company recognizes the related expenses for which the grants are intended to compensate, and are presented as "grants".

Segmented reporting

A business segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with the Company's other components. All operating segment's operating results are reviewed regularly by the Company's CEO, being the chief decision maker ("CODM"), to make decisions about the allocation of resources and to assess their performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's corporate office), head office expenses, personnel costs, depreciation and amortization, financing income and finance costs, net, other income and income tax expenses. At March 31, 2025 and 2024, the Company had two reportable segments

Investment tax credits
The Company is entitled to Canadian federal and provincial investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits are accounted for as a reduction of the related expenditure for items of a current nature and a reduction of the related asset cost for items of a capital nature, provided that the Company has reasonable assurance that the tax credits will be realized.

Recently adopted and issued accounting standards

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. **Presentation of Financial Statements ("IAS 1")** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as a settlement of liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on or after January 1, 2024.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2024.

The Company is currently assessing the impact of these standards on its reporting.

4. Material accounting judgments, estimates and assumptions

Key sources of estimation uncertainty and judgement

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the Financial Statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be material. Material estimates and judgements made by management affecting these Financial Statements include:

Share-based payments
Share-based payment expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumption about them.

Deferred Income Tax Assets and Liabilities
Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

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

Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment of Goodwill
The values associated with goodwill involve material estimates and assumptions, including those with respect to the determination of future cash inflows and outflows, discount rates and asset lives. At least annually, the carrying amount of goodwill is reviewed for potential impairment. Among other things, this review considers the recoverable amounts using discounted estimated future cash flows. These material estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Based on the results of the goodwill impairment testing, the Company recorded an impairment loss of $nil on goodwill in 2025 (2024 - $84,830). As of March 31, 2025, the carrying value of goodwill is $nil (June 30, 2024 - $nil).

Going concern assumption
These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing, anticipated sales and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Company continues to raise funds going forward and satisfy their obligations as they become due.

Promissory notes
The carrying value is calculated as the discounted future cash flows for the loans using the effective interest rate. This requires applying a risk-adjustment rate of interest which may not align with the coupon interest rate for related party notes. Changes in the discount rate can materially affect the carrying value.

Valuation of inventory
The provision for obsolescence and the estimated net realizable value.

Estimated useful lives and impairment assessment of PP&E
Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts which take into account factors such as economic conditions, market conditions and the useful lives of assets.

(Expressed in Canadian Dollars)

ROU assets - discount rate and term
The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The Company includes the estimated extension of their leases in the lease term in assessing the present value of future lease payments where the exercise of the extension options is reasonably certain. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of use assets are depreciated in accordance with the Company's accounting policy for plant and equipment.

Research and development costs
Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

5. Supplemental cash flow information

The following outlines the supplemental cash flow details during the years ended March 31, 2025, and 2024:

Period ending:	**March 31, 2025**	March 31, 2024
Cash paid or accrued during the period		
Interest	**$ 76,466**	$ 78,505
Cash received or accrued during the period		
Interest	**9,898**	10,650
Accretion on promissory notes	**628**	4,217

6. Exploration and evaluation assets

The Company has interests in two mineral properties, being the Sun Group and Bromley Creek Properties, located in British Columbia as at March 31, 2025.

A summary of the capitalized acquisition and exploration and evaluation expenditures on the Company's exploration and evaluation (E&E) assets for the nine months ended March 31, 2025, and the year ended June 30, 2024 are as follows:

(Expressed in Canadian Dollars)

	Bromley Creek	Sun Group	Total
Acquisition costs			
Balance at July 1, 2024	59,374	-	**59,374**
Exploration costs			
Balance at July 1, 2024	(40,874)	170,300	**129,426**
Additions during the period:			
Site expenses	(54)	-	**(54)**
Assays	-	-	**-**
Claim fees	150	-	**150**
Geological	-	-	**-**
Assets retirement costs	-	-	**-**
Property option payments	-	-	**-**
Royalties received	(3,538)	-	**(3,538)**
Expenses recouped	-	-	-
Total additions during the period	(3,442)	-	**(3,442)**
Balance of exploration costs at March 31, 2025	(44,317)	170,300	**125,983**
Total as at March 31, 2025	**15,057**	**170,300**	**185,357**

	Bromley Creek	Sun Group	Total
Acquisition costs			
Balance at July 1, 2023	59,374	-	**59,374**
Exploration costs			
Balance at July 1, 2023	(21,187)	134,050	**112,863**
Additions during the period:			
Site expenses	5,540	-	5,540
Assays	2,394	-	2,394
Claim fees	1,356	-	1,356
Geological	1,045	-	1,045
Assets retirement costs	3,500	-	3,500
Property option payments	(24,173)	36,250	12,077
Royalties received	(4,921)	-	(4,921)
Expenses recouped	(4,427)	-	(4,427)
Total additions during the period	(19,687)	36,250	**16,563**
Balance of exploration costs at June 30, 2024	(40,874)	170,300	**129,426**
Total as at June 30, 2024	**18,500**	**170,300**	**188,800**

Bromley Creek, British Columbia, Canada

The Company has a Zeolite project in the Bromley Creek area located near Princeton, British Columbia. The Company holds 640.21.41 hectares (2024 – 1,134.75) of mineral claims leased from the British Columbia government, which currently have expiration dates through to December 15, 2025. Within those claims, the Company has a thirty-year mining lease on 30.8 hectares granted in 2000. The Company's Zeo Tech Quarry Mine # 1500625 permit was issued in 2001. The latest quarry permit was issued in 2024. Permits are renewed every 5 years.

On September 26, 2018 the Company filed a NI 43-101 compliant Technical Report dated August 17, 2018 on its Bromley Creek Property. The report is available under the Company's profile on SEDAR.

The Company's Bromley Creek Zeolite Project consists of a total of one mineral lease and four mineral claims.

On November 30, 2015, the Company entered into a Mining Operations with Purchase Option Agreement with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Bromley Creek Zeolite Project for a total purchase price of $725,000. The purchase price may be paid by APL through cash or earn-in by payment of royalties to the Company of $9.00 per metric ton mined and removed from the site. The parties have also entered into an Agency Agreement pursuant to which APL will pay to the Company a commission on all applicable sales of mineral mined or zeolite processed from the Bromley Creek Zeolite Project.

On July 26, 2022, the Company entered into an amending agreement with Progressive Planet Products Inc. ("PPP") formerly ("Absorbent Products Ltd.") whereas the Company acknowledged receipt of $101,933 towards the 50% purchase price of Bromley Creek. The remaining $623,006 of the Purchase Price shall be paid in twenty equal installments of $31,150, payable every three months commencing on June 30, 2022. In addition, International Zeolite will receive a net royalty payment of $4.50 per metric tonne of product mined and removed from the mine.

On May 31, 2024, the Original Agreement was amended regarding the exchange of interests. As per the Amended Agreement, PPP has transferred its 2.5% interest in the Sun Group Assets to the Company and earned an additional 2.5% interest in the Bromley Group Assets in exchange. As such, PPP has no further right or interest in the Sun Group Assets, and the Option was voided.

During the three and nine months ended March 31, 2025, property option payments received from PPP under the Agreement amounted to $nil and $nil (2024 – $31,150 and $62,301). Additionally, the Company received $3,538 of royalties from PPP (2024 - $4,921). As at March 31, 2025, PPP has earned 31% interest in the Bromley property (2024 – 14%).

Sun Group, British Columbia, Canada

In March 2004, the Company acquired a contiguous claim group located in the Similkameen Mining District of British Columbia ("Princton Mine" or "Sun Group" Property). The total claim area is 527.167 hectares (2024 - 948.935 hectares) which currently have expiration dates through to May 28, 2026.

During the year 2013, the Company completed a 2-phase drill program. Data obtained from the drill program will be used to calculate a preliminary mineral resource for the Sun Group at a future date. On July 6, 2018 the Company filed a NI 43-101 compliant Technical Report dated December 31, 2018 on the Sun Group Property. The report is available under the Company's profile on SEDAR.

On November 30, 2015, the Company entered into a mining operations agreement ("the Original Agreement"), with a purchase option, with Absorbent Products Limited ("APL"). The purchase option terms grant APL the right to acquire a 50% interest in the Company's Sun Group Zeolite Project for a total purchase price of $725,000. The purchase price may be paid by APL through cash or earn-in by payment of royalties to the

(Expressed in Canadian Dollars)

Company. The parties have also entered into an Agency Agreement pursuant to which APL would pay to the Company a commission on all applicable sales of mineral mined or zeolite processed from the Sun Group Zeolite Project.

The Original Agreement was amended on July 27, 2022 (“Amended Agreement”) by Progressive Planet Products Inc. (“PPP”) formerly (“Absorbent Products Ltd.”). As per the Amended Agreement and in order to maintain the Sun Group Option in good standing, PPP has agreed that commencing on July 26, 2022 and for each subsequent twelve month period until the expiry of the Sun Group Option Period, will contribute additional amounts of up to $50,000 per twelve month period towards the exploration costs of the Sun Group claims or such other amount that the parties may agree upon.

For PPP to earn 50% of the Sun Group property, the total Option price of $725,000 should be paid to the Company no later than July 26, 2027. For any amount so contributed, PPP will be credited 50% of such contribution amount towards its payment of the Sun Claim Option price, such that the Sun Claim Option Price will be reduced by the same amount.

On May 31, 2024, the Original Agreement was amended regarding the exchange of interests. As per the Amended Agreement, PPP has transferred its 2.5% interest in the Sun Group Assets to the Company and earned an additional 2.5% interest in the Bromley Group Assets in exchange. As such, PPP has no further right or interest in the Sun Group Assets, and the Option was voided (2024 – 2.5%).

During the nine months ended March 31, 2025, royalties and property option payment received from PPP under the Agreement amounted to $Nil (2024 - $Nil).

7. Reclamation and other deposit

	Note		**March 31, 2025**		**June 30, 2024**
Reclamation bonds and security deposit					
Reclamation bonds held in term deposits – Canada		**$**	**20,000**	$	20,000
Security deposits paid – Canada	(i)		**2,259**		2,259
			22,259		22,259
Other deposit					
Accrued interest	(ii)		**171,602**		161,704
			171,602		161,704
Provision for doubtful accounts	(ii)		**(171,602)**		(161,704)
			-		-
Total		**$**	**22,259**	$	22,259

Prior to commencement of exploration of a mineral property in British Columbia, a company is required to post a reclamation bond against any potential land restoration costs that may be incurred in the future on certain properties, which is refunded to the Company upon completion of reclamation to the satisfaction of the Inspector of Mines. The Company has posted reclamation bonds of $20,000 (June 30, 2024 - $20,000) with the Province of British Columbia, Canada. The reclamation bonds are held in term deposits which bear interest at a weighted average rate of 0.65% per annum (June 30, 2024 - 0.65%). The Company has recorded a provision for decommissioning liabilities of $20,000 (June 30, 2024 - $20,000), which is equal to the reclamation bonds in place. The provision has not been discounted due to uncertainty with respect to the timing of settlement.

As part of the Mining Operations with Purchase Option Agreement with PPP (note 6), PPP has agreed to assume all environmental liabilities accruing on or after the date of execution of the Agreement relating to the Bromley Creek property and only during such time where APL is the operator of the Bromley Creek Mine. Should PPP default on this obligation, the Company will ultimately be responsible for all environmental liabilities relating to the property.

(i) Included in other deposits is $2,259 (June 30, 2024 - $2,259) paid by the Company as security deposits on its leased premises in Vancouver, British Columbia.

(ii) In 2011, failing the delivery of a contracted 43-101 report, the Company entered into a forbearance agreement dated December 8, 2010, to recover an associated deposit. To date, the Company has recovered $130,275 (June 30, 2024 - $130,275). There is material uncertainty as to the collection of the remaining amount. The Company has made a provision for doubtful accounts of $168,237 (June 30, 2024 - $161,704), which includes $168,237 accrued interest (June 30, 2024 - $161,704). For the nine months ended March 31, 2025, the Company received total collections amounting to $Nil.

8. Related party transactions and balances

During the nine months ended March 31, 2025, the Company entered into various transactions with related parties. The related parties consist of officers, directors and shareholders or companies controlled directly or indirectly by them. Details of the transactions and balances owing, or receivables for the nine months ended March 31, 2025, are as follows:

(i) The Company recorded management fees to a director and officer of $nil (2024 - $81,000) as well as consulting fee paid to another officer and director in the amount of $nil (2024 - $81,000).

(ii) On June 29, 2020, the Company issued a promissory note to the CEO, for $793,800. During the nine months ended March 31, 2025, the Company accrued interest of $41,673 (2024 - $41,673) on the promissory note. The note bears interest at 4% per annum until June 30, 2022. Following the initial two-year period and as of June 30, 2022, interest is charged at prime plus 2% and repayment of the note with annual principal payments of $158,760 over a five-year period. The Company has the option to pay back the loan in full at any time during the 7-year period in order to reduce the accumulation of interest expense.

The initial carrying value of the liability was calculated by discounting the stream of future payments of principal and interest using a market interest rate of 11% and accreted using the effective interest method over the term of the Note such that the carrying amount of the financial liability will equal the principal balance at maturity.

(iii) On June 29, 2020, the Company issued a promissory note to LRP Consulting Group, a related Company, controlled by a director/officer of the Company, for a total amount of $243,000 for past consulting services. The note bears interest at 4% per annum for three years with a repayment date no later than June 29, 2023. The terms of this promissory note was extended by a further 12 months until June 29, 2024 and the interest rate increased to 5.50%. As of July 1, 2024, the promissory note is considered as a demand loan.

The initial carrying value of the liability was calculated by discounting the stream of future payments of principal and interest using a market interest rate of 11% and accreted using the effective interest method over the term of the note such that the carrying amount of the financial liability will equal the principal balance at maturity. During the nine months ended March 31, 2025, the Company accrued interest of $10,024 (2024 - $10,024) on the promissory note.

(Expressed in Canadian Dollars)

(iv) Included in administrative expenses are $33,705 (2024 - $31,990) in administrative and rent expenses charged by a company controlled by an officer and director.
(v) Included in professional fees are $38,520 towards corporate secretarial and accounting services charged by a company controlled by an officer and director (2024 - $36,560).

(vi) At March 31, 2025, amounts totaling $893,256 (June 30, 2024 - $745,051) owing to related parties and companies controlled by related parties is included in accounts payable and accrued liabilities.

(vii) On December 14, 2023, the Company and an officer/director of the Company signed a financing agreement to provide a bridge loan of $50,000 to the Company. The Bridge Loan bears interest at 7% per annum plus a lumpsum amount of $6,000 and is repayable on the maturity date of April 15, 2024. The Bridge Loan is secured by a first-ranking charge in favour of the lending party over all of the Company's assets. As of March 31, 2025, the Company has made principal repayments totaling $10,000, an additional lump sum payment of $6,000, and has settled $1,754 in accrued interest. The loan has been considered a demand loan as of March 31, 2025. During the nine months ended March 31, 2025, the Company accrued interest of $2,236 (2024 - $1,038) on the loan.

The above transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

Compensation paid to key management personnel and non-executive directors during the periods ended March 31, 2025 and 2024 are as below. The Company defines key management personnel as its CEO, President, CFO and the Board of Directors.

	Nine months ended 31-Mar-25	Nine months ended 31-Mar-24
Senior management compensation	-	162,000
Share-based compensation	-	18,720

9. Loans

(i) On June 29, 2020, the Company issued a promissory note to a former officer of the Company for his accrued fees over the last three years of $66,000. The note which matured on June 30, 2023, bears interest at 4% per annum for three years. The value of the liability was calculated by discounting the stream of future payments of principal and interest using a market interest rate of 11% and accreted using the effective interest method over the term of the note such that the carrying amount of the financial liability will equal the principal balance at maturity. The maturity date of this promissory note has been extended by a further 12 months until December 31, 2024 and the interest rate increased to 5.50%. During the nine months ended March 31, 2025, the Company accrued interest of $2,723 (2024 - $2,723) on the promissory note. The loan has been classified as current demand loan as of July 1, 2024.

(ii) On November 22, 2022, the Company and CoTec Holdings Corp signed a financing agreement to make an investment in the Company to support its go-to-market activities in the agricultural and green tech segments, which resulted in a $300,000 bridge loan funding to the Company. The Bridge Loan bears interest at 7% per annum and is repayable on the earlier of November 21, 2024, closing of a Private Placement with CoTec or a change of control of the Company. The Bridge Loan is secured by a first ranking charge in favour of CoTec over all of the Company's assets. During the nine months ended March 31, 2025, the Company accrued interest of $15,750 (2024 - $15,750) on the loan.

(Expressed in Canadian Dollars)

(iii) On January 2, 2024, the Company signed a loan agreement with Royal Bank to refinance the CEBA loan. The term loan is subject to an interest rate of 2.34% plus Prime Rate for a maximum period of 5 years. The Company is required to make a payment of $841 at the end of each month for 60 months, starting from February 25, 2024. As at March 31, 2025, the Company paid a total of $8,617 (2024- $1,050) on this loan.

10. Property and Equipment

		Property and equipment
Balance, June 30, 2023	**$**	**68,758**
Additions		
Manufacturing equipment		-
Research equipment		-
Leasehold improvements		-
Computer equipment		956
Furniture and fixtures		-
Balance, June 30, 2024	**$**	**69,713**
Additions		
Manufacturing equipment		-
Research equipment		-
Leasehold improvements		-
Computer equipment		-
Furniture and fixtures		-
Balance, March 31, 2025	**$**	**69,713**
Depreciation - Fiscal year 2023		(3,112)
Depreciation - Fiscal year 2024		(7,483)
Depreciation – Q1 – Q3 year 2025		(5,642)
Net book value	**$**	**53,476**

(Expressed in Canadian Dollars)

11. Right-of-use assets and lease liabilities

On December 1, 2022, the Company entered into a 2-year lease agreement for pilot plant in Jordan Station, Ontario, Canada. The lease payments are discounted using an interest rate of 8%, which is the Company's incremental borrowing rate. On September 20, 2023, the Company terminated its lease agreement of the pilot plant. As a result of the lease termination, the Company is relieved of future lease liability associated with the terminated lease. The Company recognized a gain of $3,851 by de-recognizing the lease liability and ROU assets.

Lease liability, June 30, 2023	$	191,494
Additions		-
Interest expense		2,336
Lease payments		(30,000)
Derecognition		(163,830)
Lease liability, June 30, 2024	**$**	**-**
Additions		-
Interest expense		-
Lease payments		-
Derecognition		-
Lease liability, March 31, 2025	**$**	**-**

Below summarizes the right-of-use asset:

Net book value, June 30, 2023	**$**	**187,801**
Additions		-
Amortization expense		(27,822)
Derecognition		(159,979)
Net book value, June 30, 2024	**$**	**-**
Additions		-
Amortization expense		-
Derecognition		-
Net book value, March 31, 2025	**$**	**-**

12. Share capital

(i) Authorized
Unlimited number of common shares.

(ii) Issued and outstanding
At March 31, 2025, the Company had 42,406,962 common shares issued and outstanding (June 30, 2024 - 42,406,962).

During the nine months ended March 31, 2025 and the year ended June 30, 2024, the Company did not issue any shares.

(Expressed in Canadian Dollars)

(iii) Stock option plan

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance of options to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

The following is a summary of changes in options during the years ended March 31, 2025, and June 30, 2024.

	Number of options	Weighted average price
Balance at June 30, 2023	**3,335,000**	**$ 0.145**
Options expired - October 5, 2023	(150,000)	0.170
Options granted - October 19, 2023	400,000	0.050
Options forfeited - October 19, 2023	(200,000)	0.140
Options forfeited - October 19, 2023	(200,000)	0.185
Options forfeited - October 19, 2023	(200,000)	0.150
Options forfeited - January 2, 2024	(150,000)	0.135
Options granted – Jan 3, 2024	800,000	0.050
Options expired – Jan 24, 2024	(100,000)	0.185
Options expired – Feb 1, 2024	(200,000)	0.205
Balance at June 30, 2024	**3,335,000**	**$ 0.103**
Options expired – July 4, 2024	(75,000)	0.125
Options expired – August 26, 2024	(150,000)	0.160
Options expired – October 4, 2024	(350,000)	0.155
Options expired – January 5, 2025	(700,000)	0.120
Options expired – February 7, 2025	(700,000)	0.135
Balance at March 31, 2025	**1,360,000**	**$ 0.056**

The fair value of the stock options vested during the nine months ended March 31, 2025, was $Nil (2024 – $41,200). The fair value of the options was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate range of 3 to 4%, average annual volatility factor of the expected market price of the Company's common shares of 146% - 150%, expected dividend yield of 0.00% and an expected life of the options of two years. The weighted average remaining life of the options outstanding is 0.62 years (2024 – 1.26 years).

A summary of stock options outstanding and exercisable at March 31, 2025 is set out below:

Number outstanding	Number exercisable	Exercise price	Expiry date
160,000	160,000	$ 0.100	May 4, 2025
400,000	400,000	$ 0.050	October 19, 2025
800,000	800,000	$ 0.050	January 3, 2026
1,360,000	**1,360,000**	**$ 0.056**	

(Expressed in Canadian Dollars)

Share purchase warrants

The following is a summary of changes in warrants from July 1, 2023 to March 31, 2025:

	Number of warrants	Weighted average exercise price
Balance at July 1, 2023	**1,143,750**	**0.24**
Warrants exercised	-	-
Warrants expired	-	-
Issued on private placements	-	-
Balance at June 30, 2024	**1,143,750**	**0.24**
Warrants exercised	-	-
Warrants expired	(1,143,750)	0.24
Issued on private placements	-	-
Balance at March 31, 2025	**-**	**-**

13. Accounts receivable

As at	**March 31, 2025**	June 30, 2024
	$	$
Trade receivables	42,547	4,095
GST/HST refundable	2,622	6,169
	45,169	10,264

14. Inventories

Inventories are comprised of the following:

As at	**March 31, 2025**	June 30, 2024
	$	$
Raw materials	36,473	20,951
Finished goods	74,698	85,514
	111,171	106,465

During the nine months ended March 31, 2025, write-downs to net realizable value for obsolete and slow-moving inventories were $nil (2024 - $nil).

The amount of inventories recognized as an expense for the nine months ended March 31, 2025 and 2024, is equal to cost of products sold presented in the statements of comprehensive loss.

(Expressed in Canadian Dollars)

15. Segmented information

The Company operates in two reporting segments, which are the exploration and development segment, and the retail and commercial sales segment. The Company's principal operations including exploration activities are carried out in Canada.

The following is an analysis of the Company's financial performance for the nine months ended March 31, 2025, and 2024 by reportable segment:

Nine months ended March 31, 2025	Exploration & Development	Retail & Commercial	Total
Commission on bulk sales	$ 2,451	$ -	**$ 2,451**
Retail and commercial sales	-	970,827	970,827
Cost of sales	-	(570,709)	(570,709)
Gross margin	2,451	400,118	402,569
Government grants	-	-	-
Operating expenses	(134,473)	(209,822)	(344,295)
Interest on promissory note	(54,419)		(54,419)
Interest on lease payments	-	-	-
Interest on loan	(20,047)	-	(20,047)
Accretion on promissory note	(942)	-	(942)
Research expenses	(13,000)	-	(13,000)
Net and comprehensive loss	**$ (220,430)**	**$ 190,296**	**$ (30,134)**

Year ended June 30, 2024	Exploration & Development	Retail & Commercial	Total
Commission on bulk sales	$ 2,278	$ -	**$ 2,278**
Retail and commercial sales	-	607,890	**607,890**
Cost of sales	-	(294,083)	**(294,083)**
Gross margin	2,278	313,807	**316,085**
Government grants	15,000	10,334	**25,334**
Operating expenses	(235,417)	(576,857)	**(812,274)**
Interest on promissory note	(72,559)	-	**(72,559)**
Interest on lease payments	-	(2,336)	**(2,336)**
Interest on loan	(30,435)	-	**(30,435)**
Accretion on promissory note	(16,865)	-	**(16,865)**
Research expenses	(131,467)	(1,566)	**(133,034)**
Impairment loss - Goodwill	(84,830)	-	**(84,830)**
Gain on derecognition of ROU assets (note 10)	3,851	-	**3,851**
Bad debt recovery (note 7)	76,790	-	**76,790**
SRED tax credits	15,713	-	**15,713**
Royalties and property option income (note 6)	-	198,978	**198,978**
CEBA loan forgiveness	-	20,000	**20,000**
Net and comprehensive loss	**$ (457,941)**	**$ (37,640)**	**$ (495,581)**

(Expressed in Canadian Dollars)

Segment assets by operating segment are as follows:

As at March 31, 2025	Exploration & Development	Retail & Commercial	Total
Current assets	$ 31,163	$ 280,602	$ 289,347
Exploration and evaluation assets	185,358	-	185,358
Goodwill	-	-	-
Property, plant and equipment	-	55,357	55,357
Right-of-use assets	-	-	-
Reclamation and other deposits	22,259	-	22,259
Inventory	-	91,002	102,042
Total assets	**$ 238,780**	**$ 425,563**	**$ 663,860**

As at June 30, 2024	Exploration & Development	Retail & Commercial	Total
Current assets	$ 66,820	$ 65,244	**$ 132,064**
Exploration and evaluation assets	188,800	-	**188,800**
Goodwill	-	-	**-**
Property, plant and equipment	-	59,118	**59,118**
Right-of-use assets	-	-	**-**
Reclamation and other deposits	22,259	-	**22,259**
Inventory	-	106,465	**106,465**
Total assets	**$ 277,879**	**$ 230,827**	**$ 508,706**

16. Capital management

The Company manages its capital structure and adjusts based on the funds available in order to support continued operation and future business opportunities. 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 considers its capital to be equity.

The Company’s operations are currently not generating positive cash flow; as such, the Company is dependent on external financing to fund its activities. In order to carry out potential expansion and to continue operations, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Companies in this stage typically rely upon equity and debt financing or joint venture partnerships to fund their operations. The current financial markets are very difficult and there is no certainty with respect to the Company’s ability to raise capital. However, the Company feels that it has sufficient working capital to continue with planned activities.

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

There were no changes in the Company's approach to capital management during the nine months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

17. Financial instruments and risk management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of material judgment, they cannot be determined with precision. Changes in assumptions can materially affect estimated fair values. Unless otherwise disclosed their carrying values approximate their fair values due to the short-term nature of these instruments.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's cash and trade and other receivables are exposed to credit risk. Cash is held with major Canadian-based financial institutions as such management believes that the associated credit risk is remote.

Trade and other receivables represent revenue earned from product sales. The Company has adopted a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. The Company's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. All of the Company's customers are located in either Canada or the United States. When available, the Company reviews credit bureau ratings, bank accounts and financial information for each new customer.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements at any point in time. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company normally maintains sufficient cash to meet the Company's business requirements. At March 31, 2025, the cash balance of $262,636 is not sufficient to meet its obligations related to its accounts payable and accrued liabilities of $1,292,634. The Company will need to raise additional capital in the future to fund its administrative and exploration and evaluation expenditures as well as service its long-term debt obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be material and the Company, as all other companies in its industry, has exposure to these risks.

a. Interest rate risk

The Company is not subject to material interest rate risk as its interest-bearing instruments are subject to fixed rates with the exception of one promissory note.

b. Currency risk

The Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in United States and Mexican currencies. At March 31, 2025, total assets include cash of US$109,661 (June 30, 2024 - US$9,084) and cash of Mexican pesos 12,100 (June 30, 2024 - Mexican pesos 12,100). The Company has not entered into any foreign currency contracts to mitigate this risk. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the US dollar by 10% (June 30, 2024 - 10%) would increase or decrease the net loss by $15,230 (June 31, 2024 - $1,243) and a change in the absolute rate of exchange in the Mexican pesos by 10% (June 30, 2024 - 10%) would increase or decrease the net loss by $84 (June 30, 2024 - $91) in these Financial Statements.

18. Comparative figures

The Financial Statements have been reclassified, where applicable, to conform to the presentation method used in the current period. The changes had no impact on previously reported comprehensive net loss and deficit.

19. Government loans, grants and tax credits`

During September 2020, the Company, through its subsidiary EII, received a loan of $60,000 as part of the Canada Emergency Business Account ("CEBA") extended by the Government. The loan is interest free until December 31, 2024 and $20,000 (or 33%) of the $60,000 loan is eligible for complete forgiveness if the $40,000 is fully repaid on or before January 18, 2024. If the loan is not repaid by January 18, 2024, it will be extended for an additional 3-year term bearing an interest rate of 5% per annum. On January 2, 2024, the Company signed a loan agreement with Royal Bank to refinance the CEBA loan (see note 9). The proceeds of $40,000 from the loan were used to pay off the CEBA loan on January 25, 2024. As a result, the Company was eligible to receive $20,000 in forgiveness which was recognized in operations.

On January 3, 2023, the Company signed a contribution agreement with Bioenterprise (a government-funded not-for-profit corporation that assists entrepreneurs and organizations in the agri-tech and agri-food bio-products). Bioenterprise is delivering the Fertilizer Accelerating Solutions & Technology Challenge which the Company has applied for under its Nerea fertilizer project.

The Company was accepted to receive $144,632 of contributions; or 70% of the eligible project costs based on the progress of the project. As of June 30, 2023, the Company has partially received $31,298 of contributions from Bioenterprise. On July 26, 2023, the Company received the remaining amount of $103,334. A $10,000 holdback will be released when the Company completes the project and submits the final report. The contributions are non-refundable. As of March 31, 2025, the Company received the full amount of the contribution.

On June 14, 2023, the Company was chosen as one of the recipients of the Government of Canada-funded i.d.e.a. Fund™. The i.d.e.a. Fund provides financial and business advisory support to develop or redesign green products. The Company was accepted to receive $30,000 of contributions. As of December 31, 2024, the Company has received the full amount of the contribution.

During this fiscal year, the Company received $29,963 of tax credits through the SR&ED program.