CENTURY LITHIUM CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if any auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these Condensed Consolidated Interim Financial Statements.

CENTURY LITHIUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT MARCH 31, 2025

	March 31, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	$4,624,465	$5,982,883
Marketable securities	27,000	12,000
Receivables and prepaid expenses (Note 3)	143,751	297,007
	4,795,216	6,291,890
Reclamation bonds (Note 6)	41,774	41,774
Property, plant, and equipment (Note 5)	2,864,717	3,384,755
Intangible asset	1,124,950	1,132,400
Right-of-use asset (Note 4)	172,219	236,800
Exploration and evaluation assets (Note 6)	43,850,487	42,283,991
	$52,849,363	$53,371,610
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$216,628	$300,271
Lease liability, current (Note 4)	217,898	294,362
	434,526	594,633
Equity		
Capital stock (Note 7)	89,607,276	89,607,276
Reserves (Note 8)	12,702,931	12,598,690
Deficit	(49,895,370)	(49,428,989)
	52,414,837	52,776,977
	$52,849,363	$53,371,610

Approved and authorized by the Board on May 15, 2025

"Bryan Disher"	Director	*"Ken Owen"*	Director
Bryan Disher		Ken Owen	

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

CENTURY LITHIUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars
THREE MONTHS ENDED MARCH 31

	2025	2024
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative, office and miscellaneous	$73,971	$161,201
Consulting fees	9,137	15,155
Directors' fees (Note 9)	68,000	68,000
Finance costs (Note 4)	10,083	20,634
Legal	27,613	25,981
Salaries and wages (Note 9)	113,999	122,098
Share-based compensation (Note 9)	104,241	239,298
Shareholder communications	68,840	150,088
Transfer agent and filing fees	14,372	24,602
Depreciation	-	300
Travel	5,639	33,750
	(495,895)	(861,107)
Foreign exchange gain (loss)	(16,674)	11,021
Interest income	31,188	147,325
Unrealized gain (loss) on marketable securities	15,000	(12,000)
Loss and comprehensive loss for the period	$(466,381)	$(714,761)
Basic and diluted earnings per common share	$(0.00)	$(0.01)
Weighted average number of common shares outstanding – basic and diluted	149,499,548	148,744,548

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

CENTURY LITHIUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$(466,381)	$(714,761)
Items not affecting cash:		
Depreciation	-	300
Finance costs	10,083	20,634
Share-based compensation	104,241	239,298
Unrealized (gain) loss on marketable securities	(15,000)	12,000
Foreign exchange (gain) loss	16,674	(11,021)
Changes in non-cash working capital items:		
(Increase)/decrease in receivables and prepaid expenses	153,256	129,448
Increase/(decrease) in accounts payable and accrued liabilities	74,908	(2,973)
Net cash flows used in operating activities	(122,219)	(327,075)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(168,219)	(115,449)
Expenditures on exploration and evaluation assets	(964,760)	(1,378,900)
Net cash flows used in investing activities	(1,132,979)	(1,494,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(86,547)	(86,258)
Net cash flows used in financing activities	(86,547)	(86,258)
Effect of foreign exchange on cash	(16,674)	11,021
Change in cash and cash equivalents during the period	(1,358,419)	(1,896,661)
Cash and cash equivalents, beginning of period	5,982,883	14,369,089
Cash and cash equivalents, end of period	$4,624,465	$12,472,428

Supplemental disclosures with respect to cash flows (Note 10)

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

CENTURY LITHIUM CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31

	Capital Stock				
	Number	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, as at December 31, 2024	149,499,548	$89,607,276	$12,598,690	$(49,428,989)	$52,776,977
Share-based compensation	-	-	104,241	-	104,241
Loss for the period	-	-	-	(466,381)	(466,381)
Balance as at March 31, 2025	149,499,548	$89,607,276	$12,702,931	$(49,895,370)	$52,414,837
Balance, as at December 31, 2023	148,744,548	89,354,049	11,954,561	(46,652,125)	54,656,485
Share-based compensation	-	-	239,298	-	239,298
Loss for the period	-		-	(714,761)	(714,761)
Balance as at March 31, 2024	148,744,548	$89,354,049	$12,193,859	$(47,366,886)	$54,181,022

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

1. LIQUIDITY AND CONTINUANCE OF OPERATIONS

Century Lithium Corp. was incorporated pursuant to the Business Corporations Act (Saskatchewan) on August 23, 1991. It is a publicly traded company listed on the Toronto Stock Exchange (“TSX.V”) under the symbol “LCE” (formerly "CYP”) and on the OTCQB market in the United States under the symbol “CYDVF”. Century is an exploration and development-stage company engaged in the identification, acquisition, exploration, and development of lithium and other mineral properties in the United States. The Company’s primary focus is the advancement and potential development of its Angel Island Lithium Project (the “Project”) in Esmeralda County, Nevada, USA.

The head office and records of the Company are located at Suite #1030 – 505 Burrard Street (formerly Suite #1610 - 777 Dunsmuir Street).

Material Uncertainty Related to Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations and realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months.

As at March 31, 2025, the Company had a cash balance of $4,624,465 and a working capital balance of $4,360,690. The Company has incurred losses since inception and does not generate any cash inflows from operations.

Management has assessed the Company’s ability to continue as a going concern for at least twelve months from March 31, 2025. Based on this assessment, material uncertainties exist that may cast significant doubt on the Company’s ability to continue as a going concern. The Company does not currently generate revenues and is therefore dependent on external sources to finance its operations and Project development activities. These factors, along with the inherent risks of mineral exploration and development, create material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company put spending reduction initiatives in place beginning in the fourth quarter of 2023. Since the completion and issuance of the Project’s feasibility study in the second quarter of 2024, spending has been further limited to optimizing the mine and operations plan to reduce the estimated capital cost for the Project and to further permitting. Management continues to pursue various financing options. However, there is no assurance that such financing will be available on acceptable terms or at all.

If the Company is unable to secure sufficient funding, it may be required to curtail or cease operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the next twelve months. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”). They do not include all information required for a complete set of IFRS financial statements. However selected notes are included to explain events and transactions that are significant to an understanding of the changes and performance since the Company’s last annual financial statements as at and for the year ended December 31, 2024.

2. BASIS OF PREPARATION (cont'd…)

Basis of consolidation

These interim financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

These interim financial statements are presented in Canadian dollars which is also the parent company's functional currency. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates.

The US subsidiary's functional currency is the Canadian dollar.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the average exchange rates for the period.

Accounting policies

Except as set out below, the accounting policies, estimates and judgements, methods of computation and presentation followed in these interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2024. Accordingly, these interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

Critical Accounting Estimates and Judgments

The preparation of these interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Except as detailed above, the accounting policies and basis of presentation applied in the preparation of these interim financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2024.

Approval of financial statements

The Board of Directors approved these interim financial statements for issue on May 15, 2025.

(Unaudited - Expressed in Canadian Dollars)

3. RECEIVABLES AND PREPAID EXPENSES

Receivables and prepaids are comprised of:

	March 31, 2025	December 31, 2024
GST receivable	$8,746	$10,093
Prepayments	135,005	286,915
Total	$143,751	$297,007

4. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company's right-of-use asset is a refining facility lease located in the Amargosa Valley of Nye County, Nevada. On December 16, 2021, the Company entered into a lease agreement (the "Agreement") replacing the initial lease agreement entered on February 7, 2021. The initial term of the Agreement is for forty-eight (48) months, running from December 1, 2021, to November 30, 2025, at a cost of US$22,500 per month. The Agreement may be terminated with ninety (90) days' notice and extended upon written agreement by all parties. The site is to be used solely for the operation of the lithium extraction pilot plant facility unless written consent is received.

Lease liability

A reconciliation of the carrying amount of the lease liability is as follows:

Balance December 31, 2024	$294,362
Lease payments	(86,547)
Lease interest (finance costs)	10,083
Balance March 31, 2025	$217,898

During the period ended March 31, 2025, the Company incurred expenditures of $nil (March 31, 2024 - $10,665) on short term and low value leases that were not reflected as right-of-use assets and lease liabilities. This amount was capitalized to exploration and evaluation assets.

The following amounts were classified as current and non-current liabilities:

	March 2025	December 2024
Current portion of lease liability	$217,898	$294,362
Non-current portion of lease liability	-	-

As at March 31, 2025 the total undiscounted amount of the estimated future cash flows to settle the Company's lease liabilities through November 30, 2025, the remaining lease term, is $230,020.

(Unaudited - Expressed in Canadian Dollars)

4. RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd…)

Right-of-use asset

Balance December 31, 2024	$ 236,800
Depreciation	(64,581)
Balance March 31, 2025	$172,219
Carrying amounts	
December 31, 2024	$ 236,800
March 31, 2025	$ 172,219

5. PLANT AND EQUIPMENT

	Pilot Plant	Equipment	Total
Cost			
Balance, December 31, 2024	$ 6,905,455	11,199	6,916,654
Additions	168,219	-	168,219
Balance, March 31, 2025	$ 7,073,674	11,199	$7,084,873
Accumulated depreciation			
Balance, December 31, 2024	3,527,240	4,659	3,531,899
Depreciation for the period	688,257	-	688,257
Balance, March 31, 2025	$4,215,497	$4,659	$4,220,156
Net book value			
Balance, December 31, 2024	$3,378,215	$6,540	$3,384,755
Balance, March 31, 2025	$2,858,177	$6,540	$2,864,717

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

March 31, 2025 *(3 Months)*	Angel Island	Goat Claims	Total
Acquisition Costs:			
Balance as at December 31, 2024	$7,039,565	$75,950	$7,115,515
	7,039,565	75,950	7,115,515
Exploration and evaluation costs:			
Incurred during the period:			
Administrative expenses	23,404	-	23,404
Assaying/sampling	6,507	-	6,507
Consulting	231,936	-	231,936
Feasibility	397	-	397
Pilot plant operating expenses	1,099,661	-	1,099,661
Travel	13,892	-	13,892
Wages	190,698	-	190,698
	1,566,496	-	1,566,496
Balance, beginning of year	35,168,476	-	35,168,476
Balance, end of period	36,734,972	-	36,734,972
Total, March 31, 2025	$43,774,537	$75,950	$43,850,487

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

December 31, 2024 *(12 months)*	Angel Island	Goat Claims	Total
Acquisition costs:			
Balance, beginning of year	7,039,565	$ 75,950	$ 7,115,515
Exploration and evaluation costs:			
Incurred during the period:			
Administrative expenses	386,435	-	386,435
Assaying/sampling	102,572	-	102,572
Consulting	864,760	-	864,760
Feasibility	588,095	-	588,095
Other/supplies	142,891	-	142,891
Pilot plant operating expenses	5,486,660	-	5,486,660
Transportation/fuel	49,324	-	49,324
Travel	94,657	-	94,657
Wages	707,745	-	707,745
	8,423,139	-	8,423,139
Balance, December 31, 2023	26,745,337	-	26,745,337
Balance, December 31, 2024	35,168,476	-	35,168,476
Total Balance December 31, 2024	$42,208,041	$75,950	$42,283,991

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Claims

The contiguous Dean, Glory and Enertopia properties collectively comprise the Company's Angel Island Project. Exploration drilling began in 2017.

Glory Lithium Project, Clayton Valley, Nevada, USA

In 2016, the Company entered into an option agreement to acquire a 100% interest in the Glory Lithium Project in Clayton Valley, Nevada. To earn a 100% interest, the Company made US$162,500 in cash payments ($212,357) and issued 1,100,000 shares of the Company (issued at a fair value of $175,000). The optionor retains a 3% net smelter royalty ("NSR") with the Company having the right to purchase 2% NSR for US$1,000,000.

Dean, Clayton Valley, Nevada, USA

The Company acquired a 100% interest in claims located in southern Clayton Valley, Nevada, USA for US$140,000 in cash payments and the issuance of 1,050,000 shares of the Company. The optionor retains a 3% NSR. The Company has the right to purchase 2% of the NSR for US$1,000,000.

Enertopia, Esmeralda County, Nevada, USA

On May 4, 2022, the Company completed the acquisition of the Enertopia Project located immediately adjacent to the Company's Dean and Glory properties. The Enertopia Project owns certain mining claims, which include the right to mine for minerals, access, and any related data, including unpatented mining claims. The underlying royalty holders retain a 1% NSR. Under the terms of the agreement, the Company issued 3,000,000 common shares valued at $4,890,000 and paid US$1,100,000 ($1,418,147) in cash. In connection with the transaction, the Company also paid a finder's fee of US$105,000 ($135,368).

Gunman Project, White Pine Claims, Nevada, USA

The Company has a 49% interest in certain claims located in White Pine County, Nevada, known as the Gunman Project. The project is subject to a 2% NSR.

On December 5, 2017, the Company entered into an option agreement (the "Agreement") with Pasinex Resources Limited ("Pasinex"), whereby a previous optionee transferred its option to earn up to an 80% interest in the project to Pasinex.

In order to acquire an initial 51% interest in the project (the "First Option"), Pasinex issued 600,000 of its common shares to the Company, made cash payments of US$100,000 and had to incur exploration expenditures totaling US$1,850,000 over the three-year term of the agreement. The Company also granted Pasinex a second option (the "Second Option") to acquire an additional 29% interest by issuing 200,000 common shares, making a cash payment of US$250,000 and incurring US$1,100,000 in exploration expenditures within one year of satisfying and exercising the First Option.

On September 11, 2019, and again on November 27, 2020, the Company and Pasinex amended the Agreement, whereby the First Option was extended to December 31, 2022, and the Second Option was extended to December 31, 2024. As a condition for extending the Agreement, Pasinex paid the Company US$15,000 ($19,498) and must incur exploration expenditures of US$200,000 by December 31, 2021. On December 13, 2021, a third amending agreement extended the due date of US$200,000 in exploration expenditures from December 31, 2021, to June 30, 2022. As consideration, the Company received US$20,000 ($25,849) and recognized a recovery on exploration and evaluation assets in the statement of profit or loss during fiscal 2021.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Pasinex completed the required US$200,000 in exploration expenditures by June 30, 2022.

On December 29, 2022, a fourth amending agreement extended the deadline for completion of the First Option Conditions of Exercise from December 31, 2022 to September 30, 2023. Pasinex completed the required US$1,400,000 expenditure commitment during the third quarter 2023 to earn a 51% interest in the project.

Pasinex did not make a US$250,000 cash payment, issue 200,000 shares to the Company, spend a further US$1,100,000 on the project and provide a feasibility report by December 31, 2024 to acquire an additional 29% interest. Therefore Pasinex no longer has the right to acquire an additional interest in the project.

Goat Claims, Nevada, USA

On May 3, 2021, the Company acquired mining claims in Clayton Valley, Nevada by issuing 49,000 common shares with a fair value of $75,950.

Water Rights, Nevada, USA

On September 7, 2021, the Company entered into a Water Rights Purchase and Sale Agreement (the "Water Rights Agreement") with Intor Resources Corporation ("Intor"), a wholly-owned subsidiary of Nevada Sunrise Gold Corporation, for the purchase of Intor's Water Rights Permit in Clayton Valley, Nevada (the "Permit"). The Permit allows for the use of water for mining, milling and domestic use.

Consideration paid for the Permit was US$2,150,000 ($2,691,445) and the issuance of 546,909 common shares with a fair value of $973,498.

The original Permit was valid until August 28, 2022, and thereafter annual extensions are made.

(Unaudited - Expressed in Canadian Dollars)

7. CAPITAL STOCK

Authorized
An unlimited number of common shares without par value.

Issuances during the period ended March 31, 2025:

The Company had no share issuances during the three-month period ending March 31, 2025.

Issuances during the year ended December 31, 2024:

The Company issued a total of 755,000 common shares on the exercise of share purchase warrants for gross proceeds of $135,900. The original $117,328 value of these warrants was transferred from reserves to capital stock.

8. RESERVES

The Company has a stock option plan in place under which it is authorized to grant options, restricted share units and deferred share units to Directors, Officers, employees, and consultants, to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option is set by the directors but cannot be less than the closing price on the grant date. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options	
	Number	Weighted Average Exercise Price
Outstanding at December 31, 2024	7,548,000	$1.267
Issued/granted	-	-
Exercised/expired	-	-
Outstanding at March 31, 2025	7,548,000	$1.267

The following incentive stock options were outstanding at March 31, 2025:

	Number of Shares	Exercise Price	Expiry Date
Stock options:	200,000	$ 0.345	August 4, 2025
	750,000	$ 1.250	May 3, 2026
	1,745,000	$ 2.260	November 22, 2026
	750,000	$ 1.840	April 4, 2027
	645,000	$ 1.060	November 17, 2027
	1,318,000	$ 1.030	April 24, 2028
	450,000	$ 0.940	June 28, 2028
	845,000	$ 0.590	November 29, 2028
	845,000	$ 0.320	December 11, 2029
Total:	**7,548,000**	**$ 1.267**	

Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel consist of the Company's Directors and Officers. The aggregate amount paid or accrued to key management personnel, or companies under their control, was as follows:

		March 31, 2025		March 31, 2024
Directors' fees		68,000		68,000
Salaries and wages		50,000		50,000
General and administrative expenses		51,596		109,530
Capitalized to exploration and evaluation assets		100,822		278,753
Share-based compensation		41,280		99,364
Total	$	311,699	$	605,647

As at March 31, 2025, $7,532 (December 31, 2024 - $14,904) is included in accounts payable and accrued liabilities owing to Directors and/or companies under their control.

Administrative agreement

The Company operates from the premises of a private company partly owned by a director of the Company. Through March 2023 the Company received office and administrative services under this contract for a fixed price of $27,500 per month. In March 2024, the Company extended the agreement for three-months, at $17,500 per month, and in July 2024, the agreement was continued at an amended price of $12,000 per month, cancellable by three-month's notice by either party.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	March 31, 2025	March 31, 2024
Cash received during the period for interest	$31,188	$147,325

Significant non-cash transactions as at and for the period ended March 31, 2025, are as follows:

a) Exploration and evaluation asset expenditures of $181,499 remain in accounts payable and accrued liabilities.

Significant non-cash transactions as at and for the period ended March 31, 2024, are as follows:

a) Exploration and evaluation asset expenditures of $245,228 remain in accounts payable and accrued liabilities.

11. 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 significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted market prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based in valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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 cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote because these instruments are due primarily from government agencies. Further, the majority of the Company's cash and cash equivalents are held with the Bank of Montreal, a Canadian bank.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at March 31, 2025, the Company had cash and cash equivalents of $4,624,465 (2024 - $5,982,883) to settle current liabilities of $434,526 (2024 - $594,633) and had working capital of $4,360,690 (2024 - $5,697,257). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. These fluctuations may be significant.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

(a) Interest rate risk

The Company has cash balances and short-term investments held with financial institutions. The Company's current policy is to invest excess cash in savings accounts or guaranteed investment certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has $4,346,617 in interest-bearing savings accounts with banks as at March 31, 2025 (December 31, 2024 - $5,718,839). A 1% change in interest rates would have an effect of $43,466 (2024 - $57,188) on interest income.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in United States Dollars. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In addition to cash in US currency of $237,795 (December 31, 2024 - $221,631) as of March 31, 2025, the Company has $181,499 (December 31, 2024 - $166,022) in liabilities to US payees. A 1% change in foreign exchange rates would have an effect of $4,193 (2024 - $3,786) on foreign currency gain/loss.