WHITE GOLD CORP

CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended
December 31, 2024 and 2023

(Stated in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **White Gold Corp.**

Opinion

We have audited the consolidated financial statements of **White Gold Corp.** (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

The key audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of key audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

We have determined the matters described below to be the key audit matters to be communicated in this report:

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $133,451,215 as at December 31, 2024. Management assesses E&E Assets for indicators of impairment at each reporting period. The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

Contingent consideration associated with asset acquisition of Kinross properties

The Company has elected to account for the contingent consideration based on IFRS 3.39 and recognised the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the Kinross properties. As described in Note 8 to the consolidated financial statements, the fair value amount of the Company's contingent consideration was $5,836,624 as at December 31, 2024. Management assessed contingent consideration within the scope of IFRS 9 and measured at fair value at each reporting date and changes in fair value is recognized in profit or loss. The principal considerations for our determination that the fair value assessment of contingent consideration is a key audit matter are that there was judgment made by management when determining the fair value of the contingent consideration, specifically relating to timing when the contingent consideration will be settled and the discount rate to be used in the discounted cash flow calculation.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Reviewing management's technical memo and calculation regarding the fair value of the contingent consideration;
- Performing a recalculation of the fair value of the contingent consideration; and
- Reviewing the management's sensitivity analysis for impacts to the fair value of the contingent consideration when the key assumptions change within certain range.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Shaohua Huang.

Mao & Ying LLP

Vancouver, Canada,
April 25, 2025

Chartered Professional Accountants

White Gold Corp.
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(Stated in Canadian Dollars)

		2024 December 31		2023 December 31
Assets				
Current assets				
Cash & cash equivalents	**$**	**4,376,061**	$	4,933,962
Other receivables [Note 4]		**97,063**		103,300
Prepaid expenses		**54,574**		42,675
		4,527,698		5,079,937
Non-Current assets				
Property, plant & equipment		**5,128**		7,326
Exploration and evaluation assets [Note 5]		**133,451,215**		129,401,079
		133,456,343		129,408,405
Total Assets	**$**	**137,984,041**	$	134,488,342
Liabilities				
Current liabilities				
Accounts payable	**$**	**336,476**	$	254,549
Accrued liabilities		**69,687**		17,580
Due to related parties [Note 6]		**132,092**		132,011
Flow-through share premium liability [Note 7]		**708,706**		606,061
		1,246,961		1,010,201
Non-Current liabilities				
Contingent consideration & advance royalty [Note 8]		**6,231,201**		6,254,135
Deferred income tax liability [Note 12]		**7,687,000**		6,992,000
		13,918,201		13,246,135
Total liabilities		**15,165,162**		14,256,336
Shareholders' equity				
Share capital [Note 7]		**146,740,733**		142,619,451
Contributed surplus		**8,211,368**		7,236,158
Accumulated deficit		**(32,133,222)**		(29,623,603)
Total Shareholders' Equity		**122,818,879**		120,232,006
Total Liabilities and Shareholders' Equity	**$**	**137,984,041**	$	134,488,342

Nature of operations and going concern [Note 1]
Subsequent events [Note 13]

Approved on behalf of the Board: *(Signed) "Maruf Raza"* Maruf Raza, Director *(Signed) "David D'Onofrio"* David D'Onofrio, Director

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

White Gold Corp.
Consolidated Statements of Operations and Comprehensive Loss
For the years ended December 31, 2024 and 2023
(Stated in Canadian Dollars)

	December 31, 2024	December 31, 2023
Expenses		
Interest and bank charges	**$ 8,241**	$ 8,574
Advance royalty accretion expense [Note 8]	**128,580**	133,255
Contingent consideration fair value adjustment [Note 8]	**3,567**	-
Consulting fees	**120,000**	120,000
Depreciation	**2,198**	3,140
Salary and wages	**219,184**	218,468
Marketing, office and administration	**606,164**	563,670
Insurance	**30,426**	41,009
Travel expenses	**90,853**	80,992
Conferences and events	**93,467**	113,771
Professional fees	**134,993**	65,180
Share-based compensation [Note 7]	**932,158**	724,515
Transfer agent & regulatory	**165,672**	162,630
Loss before undernoted items	**2,535,503**	2,235,204
Interest income	**(114,823)**	(150,252)
Deferred income tax expense [Note 12]	**88,939**	130,840
Net loss and comprehensive loss for the year	**$ 2,509,619**	$ 2,215,792
Basic and diluted loss per share [Note 7]	**$ (0.01)**	$ (0.01)
Weighted average shares outstanding	**177,007,128**	161,325,422

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

White Gold Corp.
Consolidated Statements of Changes in Shareholders’ Equity
For the years ended December 31, 2024 and 2023
(Stated in Canadian Dollars)

	Share Capital				
	Number of shares	Amount $	Contributed surplus $	Deficit $	Total equity $
Balance at December 31, 2022	**160,500,700**	**138,143,590**	**6,511,643**	**(27,407,811)**	**117,247,422**
Private Placement - December 2023					
Private placement	15,843,345	5,116,640	-	-	5,116,640
Share issuance costs	-	(34,718)	-	-	(34,718)
Flow-through share premium liabilities	-	(606,061)	-	-	(606,061)
Share-based compensation	-	-	724,515	-	724,515
Net loss for the year	-	-	-	(2,215,792)	(2,215,792)
Balance at December 31, 2023	176,344,045	142,619,451	7,236,158	(29,623,603)	120,232,006
Private Placement - December 2024					
Private placement	20,168,775	5,014,280	-	-	5,014,280
Share issuance costs	-	(184,292)	43,052	-	(141,240)
Flow-through share premium liabilities	-	(708,706)	-	-	(708,706)
Share-based compensation	-	-	932,158	-	932,158
Net loss for the year	-	-	-	(2,509,619)	(2,509,619)
Balance at December 31, 2024	196,512,820	146,740,733	8,211,368	(32,133,222)	122,818,879

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

White Gold Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Stated in Canadian Dollars)

		December 31, 2024		December 31, 2023
Operating activities				
Net loss for the year	**$**	**(2,509,619)**	$	(2,215,792)
Items not involving cash				
Depreciation		**2,198**		3,140
Share-based compensation		**932,158**		724,515
Fair value adjustment and accretion expense		**132,147**		133,255
Deferred income tax (recovery) expense		**88,939**		130,840
		(1,354,177)		(1,224,042)
Change in non-cash components of working capital				
Other receivables		**6,237**		8,478
Prepaid expenses		**(11,899)**		(942)
Accounts payable and accrued liabilities		**105,822**		42,064
Due to related parties		**(155,000)**		(551,007)
Cash used in operating activities		**(1,409,017)**		(1,725,449)
Investing activities				
Exploration and evaluation assets		**(4,021,924)**		(4,550,562)
Cash used in investing activities		**(4,021,924)**		(4,550,562)
Financing activities				
Net proceeds from private placements		**4,873,040**		5,081,922
Cash provided by financing activities		**4,873,040**		5,081,922
Decrease in cash and cash equivalents		**(557,901)**		(1,194,089)
Cash and cash equivalents – Beginning of the year		**4,933,962**		6,128,051
Cash and cash equivalents – End of the year	**$**	**4,376,061**	$	4,933,962
Interest paid		-		-
Income tax paid		-		-

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

1. Nature of operations and going concern

The Company was incorporated on March 26, 1987 under the provisions of the Company Act of British Columbia and was transitioned to the Business Corporations Act (British Columbia) on September 30, 2005. The Company changed its name to “G4G Capital Corp.” on January 23, 2015 and the common shares (the “Common Shares”) were traded on the TSX Venture Exchange (the “TSXV”) under its symbol “GGC”. The Company is classified as a ‘Junior Natural Resource-Mining’ company’.

The Company then changed its name to “White Gold Corp.” on December 19, 2016 and in connection with its rebranding, the Company registered to continue its corporate existence in the Province of Ontario.

The Company’s head office is located at 82 Richmond Street East, Toronto, Ontario, Canada and the common shares of the Company (the “Common Shares”) are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “WGO”.

White Gold Corp. is in the business of acquiring and exploring mineral properties. As of December 31, 2024, the Company owned several properties in the Yukon’s White Gold District in Canada (the “White Gold District”). The properties range from grass roots to more advanced exploration projects and the Company is continuing with exploration activities on its properties.

There has been no determination whether properties held contain mineral resources or mineral reserves that are economically recoverable. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable mineral resources and mineral reserves, confirmation of the Company’s interest in the properties, the ability to obtain the necessary financing to complete development, and future profitable production or proceeds from disposition.

Going Concern

Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months; however, there are several conditions that may cast significant doubt on the Company’s ability to continue as a going concern. During the year ended December 31, 2024, the Company incurred a net loss of $2,509,619 (December 31, 2023 – $2,215,792), and used cash flow of $1,409,017 for operating activities (December 31, 2023 – $1,725,449). As at December 31, 2024, the Company has an accumulated deficit of $32,133,222 (December 31, 2023 – $29,623,603). These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on April 25, 2025.

2. Basis of Presentation

<u>Statement of Compliance</u>

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

2. Basis of Presentation (continued)

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Company has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries 0814117 BC Ltd. and Selene Holdings Limited Partnership. All inter-company transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the reported amount of the Company's assets, liabilities, expenses, and related disclosures. Assumptions and estimates are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments in order to ensure that consolidated financial statements are presented fairly and in accordance with IFRS.

Critical accounting estimates are those that have a significant risk of causing material adjustments and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include: the recoverability of the carrying value of exploration and evaluation assets, the fair value adjustment of contingent consideration, going concern assumption and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and assumptions.

Use of Judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include the assumption regarding economic recoverability and probability of future economic benefits of exploration and evaluation expenditures.

3. Material Accounting Policy Information

Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance, to be cash equivalents.

3. Material Accounting Policy Information (continued)

Exploration and Evaluation of Assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off in the statement of operations. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

A mineral property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable have not been recorded. Option payments are capitalized as property costs or recorded as recoveries when the payments are made or received.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

Contingent liabilities

Contingent liabilities represent the contingent considerations associated with the asset acquisition of the Kinross properties (Note 5). The Company has elected to account for the contingent consideration based on IFRS 3.39 and recognised the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the Kinross properties. The contingent consideration is within the scope of IFRS 9 and therefore is measured at fair value at each reporting date and changes in fair value are recognised in profit or loss.

Site Rehabilitation Obligations

Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management’s best estimate of the site rehabilitation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded, the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. The liability is accreted to its present value at each reporting period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

At present, the Company has determined that given the early stage of exploration on its mineral properties, it has no reclamation costs and therefore no provision for site rehabilitation has been made.

3. Material Accounting Policy Information (continued)

Foreign Currency Translation

The Company's functional and presentation currency is the Canadian dollar. The accounts recorded in foreign currencies have been translated into Canadian dollars on the following basis:

(a) monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;

(b) non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and

(c) revenue and expenses at the exchange rates prevailing on the date of the transaction.

Gains and losses on translation are included in income or expense in the period in which they occur.

Share-based Payments

The Company uses a fair value-based method of accounting for stock warrants and options to employees, including directors, officers and consultants. The fair value is determined using the Black-Scholes Option Pricing Model on the date of grant, with assumptions for risk-free interest rate, volatility, expected forfeiture and life of the options or warrants. The cost is measured at the date of grant and each tranche is recognized on a graded-vesting basis over the applicable vesting period as an increase in share-based payments expense and the contributed surplus reserves account. On the exercise of the stock options, the proceeds received by the Company, together with the respective amount from the contributed surplus reserves, are credited to share capital.

Flow-through shares

Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("Flow-through tax liability'). Renouncement is retrospective and the view is that the obligation is fulfilled when eligible expenditures are incurred.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is not recognized in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. Material Accounting Policy Information (continued)

Income Taxes (continued)

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities, and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial Instruments

Financial assets

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL). The Company determines the classification of its financial assets at initial recognition.

i. Fair value through profit or loss (“FVTPL”)

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost, or fair value through other comprehensive income.

The Company’s cash & cash equivalents are classified as FVTPL.

ii. Amortized cost

Financial assets are classified as amortized cost if the financial assets are not classified at FVTPL, and both of the following criteria are met: 1) the object of the Company’s business model for these financial assets is to collect their contractual cash flows; and 2) the asset’s contractual cash flows represent solely payments of principal and interest. Financial assets at amortized cost are initially recognized at the amount expected to be received, net of any transaction costs incurred. The Company recognizes a loss allowance for expected credit losses when applicable, based upon management’s judgment.

3. Material Accounting Policy Information (continued)

Financial Instruments (continued)

Financial liabilities
Financial liabilities are classified as either: fair value through profit or loss, or amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost
Financial liabilities are measured at amortized cost unless they fall into one of the following categories: the instruments are required to be classified as FVTPL, the Company has opted them to be classified as FVTPL. Financial liabilities classified at amortized cost are recognized at the amount required to be paid, with an appropriate provision recognized when applicable, based upon management's judgment.

The Company's accounts payable, accrued liabilities, due to related parties, and advance royalty are classified at amortized cost.

ii. Fair value through profit or loss ("FVTPL")
Financial liabilities are classified as fair value through profit or loss if they are derivatives or cannot be classified as amortized cost. The Company currently does not have any derivatives. Any gains or losses on financial liabilities classified at FVTPL are recognized in the consolidated statement of operations in the period in which they arise.

The Company's contingent consideration is classified as FVTPL.

Transaction costs
Transaction costs associated with financial instruments classified as FVTPL, are expensed as incurred, while transaction costs associated with all other classifications of financial instruments are included in the initial carrying value of the asset or liability.

Initial recognition
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as current liabilities if payment is due within 12 months, otherwise they are presented as non-current liabilities.

Subsequent measurement
Instruments classified as amortized cost are measured using the effective interest rate method. Instruments classified as FVTPL and FVOCI are measured at fair value with any changes in their fair values recognized in the period in which they arise, in the consolidated statement of operations or other comprehensive income (loss) respectively.

Derecognition
Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized only when its obligations are discharged, cancelled, or expired. The difference between the carrying amount of the financial instrument at the time of derecognition and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of operations.

3. Material Accounting Policy Information (continued)

Financial Instruments (continued)

Expected Credit Loss Impairment
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to apply the requirements to recognize right-of-use assets and lease liabilities at initial recognition date in accordance with IFRS 16 for short-term leases and leases for which the underlying asset is of low value. Instead, the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

3. Material Accounting Policy Information (continued)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 8 for further disclosures.

Contingent consideration, resulting from asset acquisitions, is valued at fair value at the acquisition date as part of the asset acquisition. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the estimated discount factor, milestone commencement date (see Note 8 for details).

As part of the accounting for the acquisition of Kinross White Gold Properties, contingent consideration was recognized at fair value the acquisition date and remeasured based on fair value at each reporting date. Future developments may require further revisions to the estimate. The maximum consideration to be paid is $15,000,000. The contingent consideration is classified as other financial liability.

3. Material Accounting Policy Information (continued)

New Accounting Standards

Amendments to IFRS 9 and IFRS 7 - The Classification and Measurement of Financial Instruments

In May 2024, the International Accounting Standards Board ("IASB") issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance ("ESG")-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on the Company's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. Management is currently assessing the effect of the standard on the Company's financial statements.

4. Other receivables

The Company has GST/HST recoverable from the Canadian government through its costs incurred to date. No allowance has been recorded, as the amounts have been historically collected in full.

(Stated in Canadian Dollars)

5. Exploration and evaluation assets

	White Gold Properties
Mineral property cost	
Balance as at December 31, 2022	$ 124,850,517
Acquisition/Staking/Renewal Cost	62,360
Exploration expenditures [Note 6]	4,488,202
Balance as at December 31, 2023	$ 129,401,079
Acquisition/Staking/Renewal Cost	123,228
Exploration expenditures [Note 6]	3,926,908
Balance as December 31, 2024	$ 133,451,215

White Gold Properties (Yukon)

Ryan Option

On October 27, 2016, the Company entered into an agreement granting it the option (the “Option”) to purchase 21 properties (the “Properties”), comprising approximately 12,301 quartz claims (the “Claims”) located in the White Gold District from Shawn Ryan and Wildwood Exploration Inc., a corporation wholly owned by Mr. Ryan, a director and officer of the Company (“Wildwood”). The Claims are grouped in six project areas covering various prospective geological terrain in the White Gold District. The Properties represent all of Mr. Ryan's precious metal interests located in the White Gold District that are not in a current joint venture with third parties.

On December 13, 2016 White Gold Corp. completed the exercise of its option and acquired the claims across the 21 properties. Specifically, on October 28, 2016 the Company issued 1,000,000 shares (at fair value of $0.71 per share) and paid cash of $500,000 and on December 13, 2016 the Company issued 6,000,000 shares (at fair value of $1.14 per share) and paid cash of $3,000,000 and the company reimbursed $40,000 for staking costs, completing the option payment requirements. An additional legal expenditure of $10,560 has also been capitalized as acquisition costs directly related to acquisition of these properties.

The Properties are subject to a 2% net smelter royalty (“NSR”) which will also be payable on each quartz claim staked by the Company (or any subsidiary or affiliate) in a specified area of influence during the five year period following October 27, 2016, of which 1% will be payable to Mr. Ryan and 1% is payable to a related party.

Kinross acquisition

On June 14, 2017 the Company successfully completed the acquisition of entities holding the White Gold, Black Fox, JP Ross, Yellow, and Battle properties (the “White Gold Properties”) from Kinross Gold Corporation (“Kinross”) for $10 million in cash, the issuance to Kinross of 17.5 million common shares of the Company (at the value of $ 2.10 per share) and up to $15 million in deferred milestone payments specifically related to the advancement of the White Gold Properties (the “Acquisition”).

5. Exploration and evaluation assets (continued)

Total expenditures of $1,032,756, which includes legal fees, due diligence fee and financial advisory fees, has also been capitalized as acquisition costs directly related to acquisition of these properties.

Key estimates on the valuation of the Kinross "White Gold Properties" ("Former Kinross Properties") were made using discounted cash flow model of the contingent consideration and advance royalty including a discount rate of 25% for the $15 million in deferred milestone payments and 25% discount rate for advance royalty payments. The milestone payments are originally estimated to commence in 2020 with production starting in 2025. The amounts included as part of the asset acquisition noted above are $6,242,582 and $383,003 for the milestone payments and advance royalty, respectively.

Certain of the Former Kinross Properties, consolidated into The White Gold Properties (Yukon), are subject to two annual advance royalty payments in the amount of $100,000 and $30,000, respectively, that are payable to a related party each year until the commencement of commercial production; these advanced royalty payables will be deducted from the pre-existing net smelter return royalties equal to 4%, 2% and 2%, respectively, each relating to different claims and each subject to different reduction options. The 4% net smelter return royalty can be reduced to 1% by making payments as follows: 1% (from 4% to 3%) by paying $2,000,000; 1% (from 3% to 2%) by paying $3,000,000; 1% (from 2% to 1%) by paying $5,000,000. Furthermore, if either mineral reserves, measured mineral resources or indicated mineral resources are located on certain claims comprising the Former Kinross Properties and are disclosed in an NI 43-101 technical report then the Company will be obligated to pay a royalty equal to $1.00 per gold ounce (using a cut off of 0.5g/t). As of December 31, 2024, there are no royalty payment obligations. Each of these royalties is held by an officer and director of the Company.

IGO Properties

On October 15, 2018 the Company completed an acquisition from Independence Gold Corp. ("IGO") of the Flow, Work Creek and Henderson property claims for $35,000 cash and 160,000 common shares of the Company. Under the terms of the agreements to acquire the Properties, IGO will maintain: (i) a 1.0% NSR royalty over the claims comprising the Henderson property, which can be purchased by the Company at any time for $2,000,000; and (ii) a 1.0% NSR royalty over the claims comprising the Flow/Work Creek property, which can be purchased by the Company at any time for $1,000,000.

QV Property

On March 1, 2019 the Company completed an acquisition from Comstock Metals Ltd. the QV Gold Project (the "QV Property"). The property is comprised of 16,335 hectares (40,000 acres) in the Yukon's White Gold District, received in exchange for payment of $375,000 cash and the issuance of 1,500,000 common shares of the Company and 375,000 share purchase warrants. Each Warrant will be exercisable to acquire one additional common share of the Company for a period of three years at an exercise of $1.50. The property is subject to a 2.0% underlying net smelter return royalty, of which 1.0% may be purchased for $2,500,000. Annual cash advance payments of $25,000, deductible against the royalty, are payable to a related party until commencement of commercial production.

(Stated in Canadian Dollars)

6. Related Party Transactions

Compensation of key management consists of the Board of Directors, CEO & President and CFO. Key management compensation which included cash & vesting accrual impacts of stock-based compensation, for the year ended December 31, 2024 was $520,421 ($464,149 – December 31, 2023).

During the year ended December 31, 2024, the Company also incurred the following related party transactions:

Ground Truth Exploration Inc., Dawson City, YT (“Ground Truth”), conducted exploration work for the Company for total billing in 2024 of $235,980 ($259,438 – December 31, 2023). Ground Truth is controlled by the spouse of a director of the Company. At December 31, 2024, $Nil of due to related parties was payable and accrued to Ground Truth ($Nil – December, 2023).

$240,000 in Corporate Support, Administration and Office fees ($240,000 – December 31, 2023) was paid to a company of which an officer is an officer and director of the Company.

$120,000 ($120,000 – December 31, 2023) was paid as compensation for consulting services rendered by a shareholder, who is also the beneficial owner receiving the royalty on the properties under the original Ryan Option.

The current portion of the advance royalty payments of $109,601 ($109,534 – December 31, 2023) on the Former Kinross Properties, and $22,491 ($22,477 – December 31, 2023) on the QV Property respectively, are due to an officer and director of the Company.

A total annual advance royalty payment of $155,000 ($155,000 – December 31, 2023) on the Former Kinross and QV Properties was made to an officer and director of the Company.

In connection with the December 2024 Offering, Directors and officers acquired an aggregate of 1,217,273 December 2024 Common Shares pursuant to the December 2024 Offering [Note 7].

In connection with the December 2024 Offering, finders fee of $101,522 and finders’ warrants of 461,555 was paid to a company of which an officer is an officer and director of the Company [Note 7].

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Summary of Due to Related Parties as below:	
Current portion of Advance Royalty payable [Note 8]	$ 132,092
Total Current Portion	**$ 132,092**
Total Long-Term Portion of Advance Royalty payable [Note 8]	**$ 394,577**

7. Share Capital

Authorized share capital

At December 31, 2024, the authorized share capital consisted of an unlimited number of common shares without par value.

7. Share Capital (continued)

Common Shares Issued

[a] On December 13, 2023, the Company completed a non-brokered private placement for aggregate gross proceeds of $5,116,640 (the "December 2023 Offering"). The December 2023 Offering was comprised of: (i) 3,722,133 common shares in the capital of the Company (the "December 2023 Common Shares") at a price of $0.30 per December 2023 Common Share; and (ii) 12,121,212 Common Shares issued on a "flow-through basis" (the "December 2023 FT Shares") at a price of $0.33 per December 2023 FT Share. Legal fees and expenses of $34,718 were paid in relation to the private placement. A flow-through share premium liability of $606,061 was recorded in connection with this private placement. As of December 31, 2024, the remaining premium liability resulted from un-spent exploration expenditures was $Nil and a total amount of deferred income tax recovery of $606,061 was recognized as income to operations.

[b] On December 20, 2024, the Company completed the first tranche of a non-brokered private placement for aggregate gross proceeds of 5,014,280 (the "December 2024 Offering"). The December 2024 Offering was comprised of: (i) 7,013,182 common shares in the capital of the Company (the "December 2024 Common Shares") at a price of $0.22 per December 2024 Common Share; (ii) 8,063,000 Common Shares issued on a "flow-through basis" (the "December 2024 FT Shares") at a price of $0.26 per December 2024 FT Share, and (iii) 5,092,593 Common Shares issued on a "Critical mineral flow-through basis" (the "December 2024 CFT Shares") at a price of $0.27 per December 2024 CFT Share. Legal fees and finders' fee of $141,240 were paid in relation to the private placement and the Company issued an aggregate of 472,405 finders' warrants, representing 7.0% of the aggregate number of the December 2024 Offering sold to purchasers introduced to the Company by such finders. A flow-through share premium liability of $708,706 was recorded in connection with this private placement. As of December 31, 2024, the remaining premium liability resulted from un-spent exploration expenditures was $3,471,300 and a total amount of deferred income tax recovery of $Nil was recognized as income to operations. In connection with the December 2024 Offering, Directors and officers acquired an aggregate of 1,217,273 December 2024 Common Shares pursuant to the December 2024 Offering. Finders fee of $101,522 and finders' warrants of 461,555 was paid to a company of which an officer is an officer and director of the Company [Note 6].

[c] Subsequent to year end, on January 3, 2025, the Company completed the second and final tranche of the December 2024 Offering for aggregate gross proceeds of approximately $250,000 consisting of the sale of 1,136,364 December 2024 Common Shares [Note 13]

Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

As the Company has recorded a loss in each of the periods presented, basic and diluted loss per share are the same since the exercise of warrants or options is anti-dilutive.

Stock Options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees at exercise prices determined by the Board.

On February 23, 2023, the company issued 5,800,000 options and granted them to directors, officers, employees and consultants at an exercise price of $0.38 per share, expiring on February 1, 2028. 25% of these options vest one year after the date of grant and 25% of the grant on each of the following one-year anniversaries.

(Stated in Canadian Dollars)

7. Share Capital (continued)

Stock Options (continued)

On March 11, 2024, the company issued 6,550,000 options and granted them to directors, officers, employees and consultants at an exercise price of $0.34 per share, expiring on March 11, 2029. 25% of these options vest one year after the date of grant and 25% of the grant on each of the following one-year anniversaries.

Total share-based compensation of $932,158 was accrued for using graded vesting method and was charged to the statement of operations and comprehensive loss for the year ended December 31, 2024 ($724,515 – December 31, 2023).

The following table summarizes the continuity of the Company's stock options at December 31, 2024:

	Number of Options	Average Exercise price	Expiry Date
Balance at December 31, 2022	**5,850,000**	**$ 0.92**	
Options issued	5,800,000	$ 0.38	February 1, 2028
Options expired	(2,400,000)	$ 0.95	July 5, 2023
Balance at December 31, 2023	**9,250,000**	**$ 0.57**	
Options issued	6,550,000	0.34	March 11, 2029
Balance at September 30, 2024	**15,800,000**	**$ 0.48**	

The following table summarizes the outstanding and exercisable Company's stock options at December 31, 2024:

Outstanding				**Exercisable**	
Exercise price $	Number of Shares	Weighted average remaining contractual years	Weighted average exercise price	Number of shares	Weighted average exercise price
$ 0.90	3,450,000	0.69	$ 0.90	3,450,000	$ 0.90
$ 0.38	5,800,000	3.34	$ 0.38	1,450,000	$ 0.38
$ 0.34	6,550,000	4.45	$ 0.34	-	$ 0.34

The fair value of these options was estimated using the Black-Scholes model on the date of grant. The model requires the use of assumptions, and historical data has been used in setting these assumptions. The options were valued at a total of $4,838,025 using the following assumptions at the issuance date:

(Stated in Canadian Dollars)

7. Share Capital (continued)

Issue	Number of Options	Exercise price ($)	Market price at issue ($)	Expected Volatility (%) *[1]	Risk-free interest rate (%)	Expected life (Years)	Expected Forfeiture (%)	Dividend yield (%)	Fair value of Options ($)
June 10, 2020	3,750,000	0.90	0.85	109	0.28	5.00	-	-	2,467,376
February 23, 2023	5,800,000	0.38	0.335	69	4.25	5.00	-	-	1,121,730
March 11, 2024	6,550,000	0.34	0.34	62	4.10	5.00	-	-	1,248,919

**[1] Based on historical volatility of the Company's publicly traded shares.*

Warrants and Agent Warrants

In connection with the December 2024 Offering, the Company issued an aggregate of 472,405 finders' warrants, representing 7.0% of the aggregate number of Offered Shares sold to purchasers introduced to the Company by such finders. Each finders' warrant will entitle the holder to acquire one Common Share at a price of $0.22 per Common Share for a period of 36 months from the date of issuance.

	Number of Warrants	Average Exercise price	Fair Value	Expiry Date
Balance at December 31, 2022	**2,139,564**	**$ 0.79**	**$320,772**	
Warrants Expired	(2,139,564)	$ 0.79	(320,772)	July 29, 2023
Balance at December 31, 2023	**-**	**-**	**-**	
Warrants Issued	472,405	$ 0.22	43,052	December 20, 2027
Balance at December 31, 2024	472,405	$0.22	$43,052	

The fair value is determined using the Black-Scholes Option Pricing Model on the date of grant, with assumptions for risk-free interest rate, volatility, expected forfeiture and life of the options or warrants.

Issue	Number of Warrants	Exercise price ($)	Market price at issue ($)	Expected Volatility (%) *[1]	Risk-free interest rate (%)	Expected life (Years)	Expected Forfeiture (%)	Dividend yield (%)	Fair value of Options ($)
December 20, 2024	472,405	0.22	0.21	64	3.03	3.00	-	-	43,052

(Stated in Canadian Dollars)

8. Contingent consideration & advance royalty

Key estimates on the valuation of the Kinross “White Gold Properties” were made using discounted cash flow model of the contingent consideration including a discount rate of 25% for the $15 million in deferred milestone payments and 25% discount rate for advance royalty payments. In the year ended December 31, 2024, management remeasured the estimated commencement dates of each milestone, to the dates listed in the below table. The terms of the deferred payments are summarized as follows:

Milestone 1: payable upon announcement of a Preliminary Economic Assessment;
Milestone 2: payable upon announcement of a Feasibility Study on the requisite properties; and
Milestone 3: payable upon announcement of a positive construction decision.

Contingent Consideration

	Estimated commencement	Gross	Fair Value as at December 31, 2024
Milestone 1	Jan 2027	$5,000,000	$ 3,198,044
Milestone 2	Jun 2030	$5,000,000	$ 1,465,878
Milestone 3	Jun 2031	$5,000,000	$ 1,172,702
		Contingent Consideration	**$ 5,836,624**

Contingent Consideration Sensitivity

The contingent consideration fair value and non-cash fair value adjustment are sensitive to changes in the estimated commencement dates and estimated discount rates, as summarized as follows:

Estimate Commencement	Estimate Discount Rate	Fair Value at December 31, 2024	Fair Value Adjustment for the Period Ended December 31, 2024
Current Estimate	**25%**	**$5,836,624**	**-**
Sensitivity – Milestone Dates			
2 additional years	25%	$3,733,156	($2,103,468)
5 additional years	25%	$1,911,141	($3,925,483)
Sensitivity – Discount Rate			
Current Estimate	15%	$8,113,937	$2,277,313
Current Estimate	20%	$6,834,223	$997,609

(Stated in Canadian Dollars)

8. Contingent consideration & advance royalty (continued)

The following table summarizes the continuity of the Company's contingent consideration at December 31, 2024:

	Contingent Consideration
Balance at December 31, 2022	**5,833,057**
Fair value adjustment	-
Balance at December 31, 2023	**5,833,057**
Fair value adjustment	3,567
Balance at December 31, 2024	**5,836,624**

Advance Royalty

In June 2017, the Company acquired from Kinross, the White Gold Properties, with certain properties subject to two annual advance royalty payments in the amount of $100,000 and $30,000, respectively, that are payable to a related party each year until the commencement of commercial production, with a 25% discount rate used for estimating the value of future advance royalty payments.

In March 2019, the Company acquired from Comstock Metals, the QV Gold Project, subject to annual advance royalty payments of $25,000, that is payable until commencement of commercial production, with a 25% discount rate used for estimating the value of future advance royalty payments.

In the year ended December 31, 2022, management remeasured the estimated remaining payment period of each advance royalty, to the dates listed in the below table.

The terms of the of the Company's advance royalty payments are summarized as follows:

	Estimated remaining payment period	Remaining gross payments	Accretion Expense	Carrying Value	Current Portion	Long-term Portion
Advance Royalty - $30,000	2025-2035	$300,000	$24,487	$105,156	$26,612	$78,544
Advance Royalty - $100,000	2025-2035	$1,000,000	$82,807	$327,925	$82,989	$244,936
Advance Royalty - $25,000	2025-2035	$250,000	$21,286	$93,588	$22,491	$71,097
Total			**$128,580**	**$526,669**	**$132,092**	**$394,577**

(Stated in Canadian Dollars)

8. Contingent consideration & advance royalty (continued)

The following table summarizes the continuity of the Company's advance royalties at December 31, 2024:

	Advance Royalty
Balance at December 31, 2022	**$ 574,834**
Accretion expense	133,255
Annual payments	(155,000)
Balance at December 31, 2023	**553,089**
Accretion expense	128,580
Annual payments	(155,000)
Balance at December 31, 2024	**$ 526,669**

Total Long Term Contingent Consideration & Advance Royalty **$6,231,201**

9. Segmented information

The Company conducts all of its operations in Canada in one industry segment being the acquisition, exploration and development of resource properties.

10. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

(Stated in Canadian Dollars)

10. Capital management (continued)

In connection with the December 2023 Flow-through Private Placement, a flow-through share premium liability of $606,061 was initially recognized. As of December 31, 2024, the remaining un-spent exploration expenditures was $Nil while the remaining related premium liability was $Nil.

In connection with the December 2024 Flow-through Private Placement, a flow-through share premium liability of $708,706 was initially recognized. As of December 31, 2024, the remaining un-spent exploration expenditures was $3,471,380 while the remaining related premium liability was $708,706.

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 year ended December 31, 2024.

11. Financial instruments

The Company’s financial assets consist of cash and cash equivalents and property bonds in the form of Guaranteed Investment Certificates. The Company’s financial liabilities consist due to related parties, contingent consideration and advance royalty, accounts payable and accrued liabilities. Other (GST/HST) receivables are not a financial instrument as they are a statutory and not a contractual right.

Due to related parties, accounts payable and accrued liabilities, and advance royalty are classified as measured at amortized cost.

Cash and cash equivalents, and contingent consideration are classified as fair value through profit or loss. These instruments are carried at fair value, with the changes in the fair value recognized in the consolidated statement of operations in the period they arise.

The fair values of the Company’s due to related parties, accounts payables and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

<u>Fair Value Measurement</u>

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

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

At December 31, 2024, the levels in the fair value hierarchy into which the Company’s financial instruments measured and recognized in the balance sheet at fair value are categorized are as follows:

	Level 1
Cash & cash equivalents	$ 4,376,061

	Level 3
Contingent consideration	$ 5,836,624

The significant unobservable inputs used in the fair value measurement of the contingent consideration include discount rate. A 2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by $355,000. Additional sensitivity analysis on estimated commencement dates and estimated discount rates are provided in Note 8.

11. Financial instruments (continued)

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, approving and monitoring the risk management processes.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and commodity price risk.

(a) Credit risk

Credit risk is the risk of an unexpected loss if the other party to a financial instrument fails to meet contractual obligations. The Company manages this risk as cash and cash equivalents are held in a major Canadian financial institution. The Company does not have any asset-backed commercial paper in its cash and cash equivalents.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period. The Company's working capital as at December 31, 2024 is anticipated to be adequate for it to continue operations for the next 12 month period ending December 31, 2025.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss a decline in the fair value of the cash and cash equivalents is limited because they are generally held to maturity. As at December 31, 2024, cash equivalents include Guaranteed Investment Certificate investments with a fixed interest rate and are not subject to interest rate risk.

(d) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of its related commodity. The Company has not hedged any of its future related commodity sales. The Company closely monitors the price of its related commodity and its related cost of production to determine the appropriate course of action to be taken by the Company.

(Stated in Canadian Dollars)

12. Income Taxes

Reconciliation to statutory rates

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates of 26.5% (2023: 26.5%):

		2024		2023
Expected income tax benefit computed at statutory rates	$	**665,049**	$	**587,185**
Increase (decrease) in share issuance cost		19,305		3,823
Deductible and non-deductible items		(319,354)		(147,357)
Renouncement of flow-through tax benefits		(1,060,000)		(980,651)
Deferred income tax (expense) recovery		**(695,000)**		**(537,000)**
Deferred income tax recovery on flow-through premium		**606,061**		**406,160**
Net deferred income tax (expense) recovery	$	**(88,939)**	$	**(130,840)**

Deferred income tax assets and liabilities

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities at December 31, 2024 and 2023 are presented below:

		2024		2023
Deferred income tax assets (liabilities)				
Non-capital loss and capital loss carry forwards	$	6,662,000	$	6,350,000
Resource pools and other assets		(14,446,000)		(13,420,000)
Share issuance costs		97,000		78,000
Net deferred income tax liabilities	$	(7,687,000)	$	(6,992,000)

At December 31, 2024, the Company has non capital losses carried forward for Canadian income tax purposes totalling approximately $25,141,000, which will expire through to 2044 and may be applied against future taxable income.

13. Subsequent Events

On January 3, 2025, the Company announced the closing of the second and final tranche of the December 2024 Offering [Note 7] for aggregate gross proceeds o approximately $250,000 consisting of the sale of 1,136,364 December 2024 Common Shares at a price of $0.22 per share. Combined with the closing of the first tranche of the December 2024 Offering completed on December 23, 2024, in total the December 2024 Offering raised gross proceeds of $5,264,280.