STERLING METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023

Expressed in Canadian Dollars

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Sterling Metals Corp.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with IFRS Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Audit Committee are composed primarily of directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

We also draw your attention to Note 8, Property rights, evaluation and exploration assets for commitments outstanding as of December 31, 2024.

The consolidated financial statements were approved by the Board of Directors on April 16, 2025.

"Mathew Wilson"
Mathew Wilson, CEO

"Dennis Logan"
Dennis Logan, CFO

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sterling Metals Corp.:

Opinion

We have audited the consolidated financial statements of Sterling Metals Corp. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our 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 conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for property rights, evaluation and exploration assets	
Refer to note 8	Our approach to addressing the matter involved the following procedures, among others:
As at December 31, 2024, the carrying amount of the Company's property rights, evaluation and exploration assets was $12,885,861. At each reporting period, management assesses property rights, evaluation and exploration assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses property rights, evaluation and exploration assets for impairment based on, at minimum, the presence of any one of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. Impairment indicators were identified on the Sail Pond property by management as at December 31, 2024 and an impairment loss of $10,304,800 was recognized. We considered this a key audit matter due to the significance of the property rights, evaluation and exploration assets and the judgments made by management in their assessment of whether there existed impairment indicators related to the property rights, evaluation and exploration assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions and obtained evidence supporting the continued and planned exploration expenditures, which included evaluating results of the Company's work programs. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 16, 2025

STERLING METALS CORP.

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31, 2024	As of December 31, 2023
Assets		
Current Assets		
Cash and cash equivalents	$1,417,285	$3,811,689
Sales tax receivable	88,799	133,360
Interest receivable on GIC investment	16,890	31,130
Prepaid expenses	44,662	151,763
Total Current Assets	**1,567,636**	**4,127,942**
Vehicle and equipment (Note 7)	83,994	104,692
Property rights, evaluation and exploration assets (Note 8, Note 13)	12,885,861	13,661,041
	12,969,855	**13,765,733**
Total Assets	**$14,537,491**	**$17,893,675**
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9, Note 13)	$266,610	$237,490
Flow-through share premium liability (Note 10)	162,465	396,863
Total Current Liabilities	**429,075**	**634,353**
Total Liabilities	**429,075**	**634,353**
Shareholders' Equity		
Share capital (Note 11)	49,759,150	42,215,341
Warrants (Note 11)	12,989,679	12,965,442
Share-based payment reserve (Note 11)	16,652,457	16,652,457
Deficit	(65,292,870)	(54,573,918)
Total Shareholders' Equity	**14,108,416**	**17,259,322**
Total Liabilities and Shareholders' Equity	**$14,537,491**	**$17,893,675**

Nature of operations and going concern (Note 1)
Commitments (Note 8 and 10)

The consolidated financial statements were approved for issuance by the Board of Directors on April 16, 2025, and were signed on its behalf by:

"Stephen Keith"
Stephen Keith, Director

"Mark Goodman"
Mark Goodman, Director

--The accompanying notes form an integral part of the consolidated financial statements.--

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

	Year Ended December 31, 2024	Year Ended December 31, 2023
General and Administrative Expenses		
General and administration	$283,514	$300,323
Investor relations	195,657	514,882
Management and Director fees (Note 13)	467,884	388,508
Consulting fees	46,414	-
Share-based compensation (Note 11, Note 13)	-	671,700
Exploration costs	757	-
Professional fees	143,089	113,298
Loss before other income (expense)	**(1,137,315)**	**(1,988,711)**
Other income (expense)		
Impairment of Property rights, evaluation and exploration assets (Note 8)	(10,304,800)	-
Government Grant (Note 15)	225,000	-
Recovery of flow-through premium liability (Note 10)	447,728	336,893
Interest income	50,435	87,563
Net loss and comprehensive loss for the year	**($10,718,952)**	**($1,564,255)**
Net loss and comprehensive loss for the year	**(10,718,952)**	**(1,564,255)**
Net loss per share for the period		
Basic and diluted loss per share	**($0.56)**	**($0.16)**
Weighted Average Number of Shares Outstanding	19,120,524	10,030,329

--The accompanying notes form an integral part of the consolidated financial statements.--

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of shares outstanding	Share Capital	Warrants	Share Based Payment Reserve	(Deficit)	Total Equity
Balance at January 1, 2023	**6,976,011**	**$37,912,174**	**$11,213,271**	**$15,980,757**	**($53,009,663)**	**$12,096,539**
Shares and warrants issued on private placement (Note 11)	3,823,917	3,956,944	1,778,936	-	-	5,735,880
Issuance costs	-	(418,777)	(188,262)	-	-	(607,039)
Shares issued on warrant exercise (Note 11)	-	-	-	-	-	-
Issuance of broker warrants (Note 11)	-	-	161,497	-	-	161,497
Shares issued on property option acquisition (Notes 8,11)	450,000	765,000	-	-	-	765,000
Share-based compensation	-	-	-	671,700	-	671,700
Net loss and comprehensive loss for the period	-	-	-	-	(1,564,255)	(1,564,255)
Balance at December 31, 2023	**11,249,928**	**$42,215,341**	**$12,965,442**	**$16,652,457**	**($54,573,918)**	**$17,259,322**
Balance at January 1, 2024	**11,249,928**	**$42,215,341**	**$12,965,442**	**$16,652,457**	**($54,573,918)**	**$17,259,322**
Shares and warrants issued on private placement (Note 11)	1,583,600	791,800	-	-	-	791,800
Issuance costs (Note 11)	-	(80,703)	-	-	-	(80,703)
Issuance of Broker Warrants (Note 11)	-	-	24,237	-	-	24,237
Shares issued on property option acquisition (Notes 8,11)	10,808,767	5,944,822	-	-	-	5,944,822
Shares issued on property option acquisition (Notes 8,11)	850,000	680,000	-	-	-	680,000
Share-based compensation - Finder's fee (Notes 8, 11)	206,484	123,890	-	-	-	123,890
Share-based compensation - Optionholder payments (Notes 8, 11)	140,000	84,000	-	-	-	84,000
Net loss and comprehensive loss for the period	-	-	-	-	(10,718,952)	(10,718,952)
Balance at December 31, 2024	**24,838,779**	**$49,759,150**	**$12,989,679**	**$16,652,457**	**($65,292,870)**	**$14,108,416**

--The accompanying notes form an integral part of the consolidated financial statements.--

Expressed in Canadian Dollars

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year Ended December 31, 2024		Year Ended December 31, 2023
Operating activities				
Net loss for the year		($10,718,952)		($1,564,255)
Add (deduct) non-cash items:				
Share-based compensation - consulting finders fee		-		671,700
Non-cash Impairment of Property rights, evaluation and exploration assets (Note 8)		$10,304,800		-
Change in recovery of flow-through share premium liability (Note 10)		(447,728)		(336,893)
		(861,880)		(1,229,448)
Net change in non-cash working capital				
Sales tax receivable		44,561		8,076
Interest receivable on GIC investment		14,240		(31,130)
Prepaid expenses		107,100		18,079
Accounts payable and accrued liabilities		29,120		(33,199)
Cash used in operating activities		**(666,859)**		**(1,267,622)**
Investing activities				
Purchase of vehicle and equipment (Note 7)		(20,855)		(33,617)
Property rights, evaluation and exploration costs (Note 8)		(2,655,354)		(4,100,775)
Cash used in investing activities		**(2,676,209)**		**(4,134,392)**
Financing activities				
Issuance of common shares and warrants and share premium liability (Note 11)		1,029,340		6,476,664
Issuance costs allocated to shares and warrants (Note 11) and share premium liability (Note 10)		(80,676)		(523,939)
Cash provided by financing activities		**948,664**		**5,952,725**
Net increase in cash and cash equivalents during the year		**(2,394,404)**		**550,711**
Cash and cash equivalents at beginning		3,811,689		3,260,978
Cash and cash equivalents at ending		**$1,417,285**		**$3,811,689**
Cash and cash equivalents consists of :				
Cash	$	917,285	$	811,689
GIC investment certificate		500,000		3,000,000
	$	1,417,285	$	3,811,689
Supplementary Cash Flow Information				
Issuance of 450,000 common shares on property option acquisition	$	-	$	765,000
Issuance of 11,798,767 common shares on property option acquisition	$	6,708,822	$	-
Issuance of 206,484 common shares as a finder's fee	$	123,890	$	-
Accrued interest on GIC as of December 31, 2023 received January 15, 2024	$	-	$	31,130
Accrued interest on GIC as of December 31, 2024 received March 31, 2025	$	16,890	$	-
Interest received on GIC investment	$	33,545	$	87,563
Taxes paid	$	-	$	-
Interest paid	$	-	$	-
Depreciation and amortization capitalized to mineral properties	$	41,553	$	27,818

--The accompanying notes form an integral part of the consolidated financial statements.--

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Sterling Metals Corp. ("SAG" or "the Company") was incorporated under the Canada Business Corporations Act on December 9, 2003. The Company's principal business activity is the exploration and development of resource properties. The head office of the Company is located at Suite 401, 217 Queen Street West, Toronto, ON, M5V 0R2. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol SAG.

These consolidated financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of $10,718,952 for the year ended December 31, 2024 (2023: $1,564,255). On December 31, 2024, the Company had an accumulated deficit of $65,292,870 (2023: $54,573,918). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. On December 31, 2024, the Company had a total of $1,567,636 of current assets, cash and cash equivalents of $1,417,285 and working capital of $1,138,561 and had flow-through expenditure commitments of $783,910 to be incurred prior to December 31, 2025.

While the Company has been successful in obtaining the necessary financing to cover its corporate operating costs and advance the development of its projects through the issuance of common shares and warrants, and the exercise of options and warrants in the past, there is no assurance it will be able to raise funds in this manner in the future. These conditions create a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern.

2) Statement of compliance and basis of preparation

The consolidated financial statements were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors on April 16, 2025.

3) Material accounting policies

a) Basis of measurement

These consolidated financial statements were prepared on an historical cost basis using the accrual basis of accounting, except for the cash flow statement.

These consolidated financial statements are presented in Canadian dollars. The functional currency was determined using the currency of the primary economic environment in which the entity operates. The functional currency, as determined by management, of the Company is the Canadian dollar. All amounts are rounded to the nearest dollar.

b) Consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned and controlled subsidiary, 100797918 Ontario Inc., incorporated in Ontario, Canada and acquired by the Company during the year ended December 31, 2024 (see note 8).

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) Property rights, evaluation and exploration assets

Evaluation and exploration assets

Evaluation and exploration assets ("E&E") include the direct costs of licenses, technical services and studies, environmental studies, seismic studies, exploration drilling and testing, borrowing costs, and directly attributable overhead and administration expenses including remuneration of operating personnel and supervisory management. These costs do not include general prospecting or evaluation costs incurred prior to having obtained the rights to explore an area, which are expensed as they are incurred. E&E expenditures are capitalized and carried forward until technical feasibility and commercial viability of extracting the resource is established.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to development assets within property, plant and equipment and are carried at cost until the properties to which the expenditures relate are sold, abandoned or determined by management to be impaired in value.

The establishment of technical feasibility of a mineral property is assessed based on a combination of factors including the extent to which mineral reserves as defined in National Instrument 43-101 have been identified through a feasibility study or similar document.

E&E assets are tested for impairment immediately prior to reclassification to development assets.

Property rights

Acquisition costs for mineral exploration rights are deferred until it is determined that these costs will not be recovered from future operations, at which point these costs are written off to operations. These costs are depleted on a unit-of-production basis commencing at the onset of commercial production for the related property.

Property rights, evaluation and exploration assets are classified as intangible assets.

Impairment of non-financial assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each consolidated statement of financial position date. The following facts and circumstances indicate that the Company should test its tangible and intangible assets for impairment: (i) the period for which the entity has the right to explore in a specific area has expired during the period, or in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted or planned; (iii) exploration for and the evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and, (iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period.

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

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Property option agreements

As is common in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an E&E asset under an option agreement. Option agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the optionee. The Company recognizes amounts payable under an option agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under an option agreement only when the optionee has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under option agreements reduce the capitalized costs of the E&E assets to $nil and are then recognized in the Company's profit or loss.

d) Share-based payments

The Company has a stock option plan whereby employees (including officers), directors and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Stock options granted during the year are accounted for in accordance with the fair value method of accounting for share-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes Option Pricing Model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of share-based payments. The cost of options is recognized, together with a corresponding increase in share-based payment reserves, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant option holder becomes fully entitled to the award (the "vesting date"). The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company's best estimate of the number of options that will ultimately vest on the vesting date. The Company records share-based compensation expense and share-based payment reserves for all stock options granted which represents the movement in cumulative expense recognized as at the beginning and end of that period. Any consideration received on the exercise of stock options is credited to capital stock.

Where the terms of a stock option award are modified, the minimum expense recognized in share-based payment reserve is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option or is otherwise beneficial to the option holder as measured at the date of modification.

Where an option is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately as a share-based compensation expense.

However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

When the share price of the Company is at or below the strike price of any option that has been issued, options may expire unexercised. When options expire unexercised the carrying of the expired options remain in the share-based payment reserve balance and are not are transferred from the share-based payment reserve balance within equity to share capital.

e) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period. Diluted loss per share is equivalent to basic loss per share, as the affect of potentially dilutive equity instruments is anti-dilutive.

f) Share capital and warrants

Common shares and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares and warrants are recognized as a deduction from equity, net of any tax effects. The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants (“Warrants”). The Company bifurcates units which consist of common shares and share purchase warrants using the relative fair value approach, whereby it measures the warrant component at fair value using the Black-Scholes Option Pricing Model and then allocates the relative value of the units between the warrant component and the common share component. The value of the warrant component is credited to the warrant reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to common stock.

Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Broker compensation options (Broker Warrants) are classified as issuance costs and a deduction from equity and measured at fair value on the date of issue using the Black-Scholes Option Pricing Model.

After issuance the terms of warrants may be modified throughout the warrant life. At the time of the modification the warrant is valued under the new terms immediately preceding and immediately after the modification using the Black-Scholes Option Pricing Model. The incremental value in the warrants issued as compensation for services is added to warrant equity and a warrant modification expense is recorded in profit or loss.

When the share price of the Company is at or below the strike price of any warrant that has been issued, warrants may expire unexercised. When warrants expire unexercised the carrying of the expired warrants remain in the warrant reserve balance and are not transferred from the warrant account within equity to share capital.

g) Flow-Through Shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements may be renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance of flow-through common shares, the Company bifurcates the flow-through share into: (a) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (b) share capital. On the effective date that resource expenditures are renounced to investors, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized within the tax provision in the statement of net loss.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. Any amount of the proceeds from the issuance of flow-through shares that have not been spent on resource expenditures that have already been renounced at the end of the two-year period are subject to a 10% penalty tax. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

h) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

i) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial instruments are initially recognized at fair value. Transaction costs related to financial instruments are included in the initial recognition of financial instruments classified and measured at amortized cost and FVTOCI. For financial instruments classified and measured at FVTPL, transaction costs are expensed in profit or loss in the period in which they are incurred.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its cash and cash equivalents, interest receivable on GIC investment, and accounts payable and accrued liabilities as financial assets and financial liabilities measured at amortized cost using the effective interest method, less any impairment losses. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial instruments, or where appropriate, a shorter period.

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

j) Government Grants

Government grants are recognized when the Company has reasonable assurance that it has complied with the relevant conditions of the grant and that it will be received. The Company recognizes the grants that compensate the Company for expenses incurred against the financial statement line item that it is intended to compensate, if the grant is recognized in the same period as the underlying transaction. Other grants are recognized as other income in the statement of loss and comprehensive loss.

4) Critical accounting judgments, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in which the estimates are revised and in any future period affected.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

a) Critical estimates

Share-based compensation

Management uses the Black-Scholes Option Pricing Model for valuation of share-based compensation, finder's warrants and broker warrants which requires the input of subjective assumptions including expected price volatility, expected life, interest rate and forfeiture rate. Changes in the input assumptions can materiality affect the fair market value estimate and the Company's results and equity reserves.

Premium on Flow-through Units

At the time of issue, the Company estimates the proportion of proceeds attributed to the flow-through share premium, the common share and the warrant, if applicable, with reference to closing market prices and such techniques as the Black-Scholes Option Pricing Model.

b) Critical judgments

Carrying amount and recoverability of property rights, evaluation and exploration assets

The Company makes certain estimates and assumptions regarding the recoverability of the carrying values of property rights, evaluation and exploration assets. The recoverability of the assets' carrying values is dependent upon the determination of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permits to complete development and future profitable production or proceeds from the disposition thereof.

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Impairment of non-financial assets

Judgment is involved in assessing whether there is any indication that an asset or cash generating unit may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market and business environment, the events that have transpired that have impacted the asset or cash generating unit, and information from internal reporting.

Title to Mineral Property Interests

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

5) New accounting standards issued and adopted in the current period and Recent accounting pronouncements not yet adopted

New Standards Adopted in the Current Year

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2024, and have been adopted in preparing these consolidated financial statements. None of these new standards, amendments to standards or interpretations had a material effect on the Company's consolidated financial statements.

Recent Accounting Pronouncements not yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2025, and have not been early adopted in preparing these consolidated financial statements.

IFRS 9 Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7")

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. These amendments are effective for annual periods beginning on or after January 1, 2026, with earlier adoption permitted.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retroactive application with certain transition provisions.

Annual Improvements to IFRS Accounting Standards

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, which contains amendments to Hedge Accounting by a First-time Adopter (Amendments to IFRS 1), Gain or Loss on Derecognition (Amendments to IFRS 7), Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7), Determination of a 'De Facto Agent' (Amendments to IFRS 10), Derecognition of Lease Liabilities (Amendments to IFRS 9) and Cost Method (Amendments to IAS 7). The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The extent of the impact of the amendments on the Company's consolidated financial statements has not yet been determined.

6) Financial instruments and risk management

a) Fair value hierarchy

Financial instruments recorded at fair value are measured using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of hierarchy has the following levels:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in the markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company does not have any financial instruments measured at fair value. The Company's financial instruments include cash and cash equivalents, interest receivable on GIC investment, accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate their fair values due to their short-term nature.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash with banks and financial institutions. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

c) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of a financial instrument. Market risk is comprised of interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. On December 31, 2024, management believes that the Company was not subject to material interest rate, currency risk or other price risk. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management involves maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations. As of December 31, 2024, all accounts payable and accrued liabilities are due within 45 days and the Company has sufficient cash resources to meet these obligations as they come due.

As of December 31, 2024, the Company had positive working capital of $1,138,561. Available funds from cash and cash equivalents on hand and working capital are expected to be sufficient to cover a portion of the Company's planned expenditures for the next twelve months. Any shortfall in available funds may be made up of possible proceeds of possible equity financings, loans, lease financing and entering into joint venture agreements, or any combination thereof. There have not been any changes in the exposure to risk or the Company's objectives, policies, and processes for managing the risk from the prior year.

Expressed in Canadian Dollars

7) Vehicle and equipment

		Vehicles		Equipment		Total
Cost						
Balance December 31, 2023	$	93,545	$	75,263	$	168,808
Additions		17,768		3,087		20,855
Balance December 31, 2024	**$**	**111,313**	**$**	**78,350**	**$**	**189,663**
Accumulated Amortization						
Balance December 31, 2023	**$**	**(44,177)**	**$**	**(19,939)**	**$**	**(64,116)**
Amortization		(22,167)		(19,386)		(41,553)
Balance December 31, 2024	**$**	**(66,344)**	**$**	**(39,325)**	**$**	**(105,669)**
Carrying Amounts						
At December 31, 2023		49,368		55,324		104,692
Balance December 31, 2024	**$**	**44,969**	**$**	**39,025**	**$**	**83,994**

Expressed in Canadian Dollars

8) Property rights, evaluation and exploration assets

	Sail Pond	Adeline	Copper Road	Total
Carrying amount				
Balance January 1, 2023	$ **8,758,671**	**$ -**	**$ -**	$ **8,758,671**
Acquisitions				
Cash	$ -	$ 400,000	$ -	$ 400,000
Common shares issued	-	765,000	-	765,000
Exploration				
Drilling	348,249	812,908	-	1,161,157
Field and administration	441,112	943,186	-	1,384,298
Geological and Geophysical services	534,140	402,691	-	936,831
Assays	137,815	86,126	-	223,941
Prospecting	3,325	-	-	3,325
Depreciation and amortization capitalized	7,802	20,016	-	27,818
Balance December 31, 2023	$ **10,231,114**	$ **3,429,927**	**$ -**	**$13,661,041**
Acquisitions				
Cash	$ -	$ 200,000	$ 460,000	$ 660,000
Common shares issued	-	680,000	6,152,713	6,832,713
Exploration				
Drilling	-	-	-	-
Field and administration	31,055	58,722	390,603	480,380
Geological and Geophysical services	24,500	219,272	1,237,850	1,481,622
Assays	15,069	3,173	15,110	33,352
Prospecting	-	-	-	-
Depreciation and amortization capitalized	3,063	11,523	26,967	41,553
Impairment of mineral property carrying value	(10,304,800)	-	-	(10,304,800)
Balance December 31, 2024	$ **1**	**$4,602,617**	**$8,283,243**	**$12,885,861**

Sail Pond Silver-Copper-Lead-Zinc Project

On September 23, 2020, the Company entered into an option agreement ("Sail Pond Property Option Agreement") with Altius Resources Inc. to purchase from Altius Resources Inc., 100% of the Sail Pond silver-copper-lead-zinc project ("Project") on the Great Northern Peninsula of Newfoundland. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company issued 589,913 common shares of the Company, representing approximately 19.9% of the then outstanding shares of the Company, to Altius Resources Inc. Altius also holds a 2% NSR royalty over the project. Other key conditions of the option purchase agreement include a minimum expenditure commitment on the project of $500,000 within the first 12 months and $1,000,000 within the first 3 years of entering into the agreement. Additionally, the Company was committed to issue Altius Resources Inc. an additional $200,000 in common shares on the earlier of 12 months from the date of signing or on the completion of an equity financing of at least $2,000,000. On February 1, 2021, the Company issued an additional 60,606 common shares valued at $200,000 to Altius in satisfaction of this commitment.

The Company has met the conditions under the property option purchase agreement and now holds a 100% interest in the project.

As of December 31, 2024, the Company recorded an impairment loss of $10,304,800 against the carrying value of the Sail Pond Project after concluding that due to the lack of recent exploration activities and lack of planned exploration activities for the Project, indicated that the carrying value of the Project would not be recoverable. As such, the Project was impaired to a nominal amount of $1. The impairment charge is a non-cash charge and may be reversed in future periods should market conditions warrant.

Expressed in Canadian Dollars

Adeline Copper-Silver Project

On March 6, 2023, the Company entered into an option agreement ("Adeline Property Option Agreement") with Chesterfield Resources Plc, and its wholly owned subsidiary, Chesterfield (Canada) Inc. (collectively "**Chesterfield**") to purchase from Chesterfield, 100% of the Adeline Copper-Silver project in Labrador. In consideration for the purchase of the Project, on signing of the Definitive Agreement (the "Agreement"), the Company made a cash payment of $100,000. On approval of the transaction by the TSX Venture Exchange, the Company issued 450,000 common shares of the Company, to Chesterfield Resources Plc., and made an additional cash payment of $300,000 to Chesterfield (Canada) Inc. On June 18, 2024, the Company completed the renegotiation of the option agreement and paid $200,000 in cash (paid July 4, 2024) and issued an additional 850,000 common shares valued at $680,000 to Chesterfield Resources Plc. (issued July 10, 2024) acquiring a 100% interest in the Adeline Copper-Silver Project.

Copper Road Copper Project

On February 13, 2024 the Company entered into a definitive share purchase agreement (the "Agreement"), with Copper Road Resources Inc. (the "Vendor") and its wholly-owned subsidiary, 100797918 Ontario Inc. (the "Subsidiary") to acquire 100% interest in the Copper Road Project ("Copper Road" or the "Project"), from Copper Road Resources Inc. (TSXV: CRD), arm's length parties to the Company (the "Transaction"). Copper Road is located 80km north of Sault Ste. Marie, Ontario, Canada.

In order to effect the Transaction, the Vendor assigned all its right, title and interest to the Project, including two option agreements (the "Option Agreements"), to the Subsidiary. The Company acquired, by way of an exempt takeover bid, all of the issued and outstanding common shares (the "Purchased Shares") in the capital of the Subsidiary from the Vendor, in consideration, of the issuance to the Vendor of 10,808,767 common shares (the "Common Shares") in the capital of the Company (valued at $5,944,822) which was equal to 49% of the issued and outstanding Common Shares immediately upon closing of the Transaction on May 10, 2024, and made aggregate cash payments of $460,000 to the Vendor, comprised of $200,000 upon execution of the Agreement (paid on March 1, 2024) and $260,000 (paid May 10, 2024) upon closing of the Transaction. All claims were subsequently transferred directly to the Company. As of December 31, 2024, the Company held a 100% direct interest in the Copper Road Project, an exploration stage property that has been accounted for as an asset acquisition by the Company. The Transaction was approved by shareholders of the Vendor on April 30, 2024, by a shareholder vote, and approved by the TSX Venture Exchange on May 10, 2024. The Company paid a finder's fee of 206,484 common shares valued at $0.60 per share for a total of $123,890 and issued 140,000 common shares valued at $0.60 per share for a total of $84,000 for option payments owed by Copper Road on certain mineral claims.

9) Accounts payable and accrued liabilities

		December 31, 2024		December 31, 2023
Accounts payable	$	234,602	$	159,188
Accrued liabilities		32,008		78,302
Total	**$**	**266,610**	**$**	**237,490**

Expressed in Canadian Dollars

10) Flow-through share premium liability

A summary of the changes in the Company's flow-through share premium liability was as follows:

Flow-Through Share Premium Liability	
Balance December 31, 2022	**$ 71,370**
Flow-through share premium on the issuance of flow-through common share units (Note 11 (b))	740,784
Issuance costs allocated to the flow-through share premium liability	(78,398)
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(336,893)
Balance December 31, 2023	**$ 396,863**
Flow-through share premium on the issuance of flow-through common share units (Note 11 (b))	237,540
Issuance costs allocated to the flow-through share premium liability	(24,210)
Settlement of flow-through share premium liability on incurrence of eligible expenditures	(447,728)
Balance December 31, 2024	**$ 162,465**

During the year ended December 31, 2023, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be $740,784 and allocated $78,399 in share issuance costs to the flow-through share premium liability.

During the year ended December 31, 2024, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be $237,540 and allocated $24,210 in share issuance costs to the flow-through share premium liability

As of December 31, 2024, the Company had yet to settle all of the flow-through share liability by renouncing eligible exploration expenditures on the October 2024 flow through issuance. The Company must spend an additional $783,910 by December 31, 2025, to satisfy its expenditure renunciation commitments.

11) Share capital

a) Authorized

Unlimited number of common shares without par value. There are no restrictions on the Company's common shares with respect to issuance, transfer, distribution of dividends, the repayment of capital or voting rights.

b) Issued

<u>Year ended December 31, 2024</u>

On October 23, 2024, the Company closed a non-brokered private placement through the issuance of 1,583,600 common shares in the capital of the Company issued on a flow-through basis (each a "**FT Share**") at a price of $0.65 per FT Share. Total gross proceeds of $1,029,340 were allocated to common shares and share premium liability in the amounts of $791,800 and $237,540 respectively. The Company paid certain eligible persons (the "**Finders**") a cash commission of $63,838 equal to 7% of the gross proceeds delivered by the Finders and incurred $16,865 in other fees and disbursements related to the share issuance. The Company issued 98,213 Broker Warrants with a strike price of $0.65 and a term of one year. The October 23, 2024 Broker Warrants were valued at $24,237.

Expressed in Canadian Dollars

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The fair value of the warrants and broker warrants were determined with the following weighted average assumptions:

	Broker Warrants
Assumption	**October 23, 2024**
Share price	$0.50
Strike Price	$0.65
Risk-free rate	3.25%
Expected dividend yield	0.00%
Expected volatility	149.58%
Warrant life in years	1.00

During the year ended December 31, 2024, the Company issued 10,808,767 common shares valued at $5,944,822 ($0.55 per common share) on the acquisition of the Copper Road project that closed on May 10, 2024, issued 206,484 common shares valued at $123,890 in lieu of a cash finder's fee on the acquisition of Copper Road and issued 140,000 common shares valued at $84,000 as payment in lieu of cash for option payments owed by Copper Road on certain mineral rights that were acquired by the Company (in each case the shares were valued at $0.60 per common share, the market price of the Company's shares on the date the shares were issued). On July 10, 2024, the Company issued 850,000 common shares valued at $680,000 ($0.80 per share) to Chesterfield Plc. as final payment on the acquisition of a 100% interest in the Adeline Project.

Year ended December 31, 2023

On March 21, 2023, the Company issued 450,000 common shares valued at $765,000 to Chesterfield Resources Plc. under the terms of the Adeline Property Option Agreement.

On April 17, 2023, the Company completed a brokered private placement of: (i) 1,962,497 hard dollar units of the Company (each, a "HD Unit") at a price of $1.50 per HD Unit, (ii) 1,191,420 flow-through units of the Company (each, a "FT Unit") at a price of $1.70 per FT Unit, and (iii) 670,000 charity flow-through units of the Company (each, a "Charity FT Unit") at a price of $2.25 per Charity FT Unit, for aggregate gross proceeds of $6,476,664 (the "Offering"). Each HD Unit is comprised of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant") of the Company. Each Warrant entitles the holder thereof to acquire one Common Share at a price of $2.50 until April 17, 2025. Each FT Unit is comprised of one Common Share, issued on a flow-through basis ("FT Share") and one Warrant, issued on a non-flow-through basis, having the same terms as the Warrants partially comprising the HD Units. Each Charity FT Unit is comprised of one Common Share, issued on a flow-through basis ("Charity FT Share") and one Warrant, having the same terms as the Warrants partially comprising the HD Units and FT Units.

Total gross proceeds of $6,476,664 were allocated to common shares, warrants and share premium liability in the amounts of $3,876,788, $1,859,087 and $740,784 respectively. The Company issued 177,583 Broker Warrants with a strike price of $1.50 and a term of two years. The April 17, 2023 Broker Warrants were valued at $161,497.

The fair value of the warrants and broker warrants were determined with the following weighted average assumptions:

	Warrants	Broker Warrants
Assumption	**April 17, 2023**	**April 17, 2023**
Share price	$1.30	$1.30
Strike Price	$2.50	$1.50
Risk-free rate	3.88%	3.88%
Expected dividend yield	0.00%	0.00%
Expected volatility	103.52%	103.52%
Warrant life in years	2.00	2.00

Expressed in Canadian Dollars

c) Stock options

The Company has established an incentive stock option plan (the “Plan”) for management, directors, and consultants of the Company, as designated and administered by a committee of the Company’s Board of Directors. Under the Plan, the Company may grant options for up to 10% of the issued and outstanding common shares of the Company. The plan is approved annually by shareholders and was last approved on July 10, 2024, at the Annual and Special Meeting of Shareholders.

<u>During the year ended December 31, 2024</u>

No incentive stock options were granted during the year ended December 31, 2024.

<u>During the year ended December 31, 2023</u>

On January 23, 2023, the Company granted 200,000 incentive stock options to Officers, Directors, Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of $2.10 per common share for a period of two years from the grant date. The Company recognized $235,700 in share-based compensation for the stock options that were granted.

On May 8, 2023, the Company granted 628,000 incentive stock options to Officers, Directors, Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of $1.50 per common share for a period of two years from the grant date. The Company recognized $425,000 in share-based compensation for the stock options that were granted.

On August 29, 2023, the Company granted 17,500 incentive stock options to Employees and Consultants of the Company that vested immediately. These options are exercisable at a price of $1.50 per common share for a period of two years from the grant date. The Company recognized $11,000 in share-based compensation for the stock options that were granted.

The weighted average assumptions used were as follows:

Weighted Average	August 29, 2023	May 8, 2023	January 23, 2023
Share price	**$1.20**	**$1.30**	**$2.10**
Exercise price	**$1.50**	**$1.50**	**$2.10**
Risk-free rate	**4.68%**	**3.76%**	**3.64%**
Expected dividend yield	**0.00%**	**0.00%**	**0.00%**
Expected volatility	**108.51%**	**103.66%**	**105.38%**
Warrant life in years	**2.00**	**2.00**	**2.00**

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2024:

Expiry date	Exercise Price	December 31, 2024 Outstanding	December 31, 2024 Exercisable
January-24-2025	$2.10	200,000	200,000
May-8-2025	$1.50	628,000	628,000
August-29-2025	$1.50	17,500	17,500
		845,500	**845,500**

	December 31, 2024
The outstanding options have a weighted-average exercise price of:	$1.64
The weighted average remaining life in years of the outstanding options is:	0.29

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The following table reflects the continuity of stock options for the years presented:

Stock option activity	December 31, 2024	Weighted Average Exercise price	December 31, 2023	Weighted Average Exercise price
Balance – beginning	1,058,000	$1.90	287,000	$4.30
Granted	-	-	845,500	$1.60
Expired	(212,500)	$3.20	(74,500)	$7.80
Balance – ending	845,500	$1.64	1,058,000	$1.90

d) Warrants

The following table summarizes warrants outstanding of December 31, 2024:

Date of Issuance	Date of Expiry	Exercise Price	December 31, 2024 Outstanding
April-17-2023	April-17-2025	$2.50	3,823,917
April-17-2023	April-17-2025	$1.50	177,583
October-23-2024	October-23-2025	$0.65	98,213
			4,099,713

	December 31, 2024
The outstanding warrants have a weighted-average exercise price of:	$2.41
The weighted average remaining life in years of the outstanding warrants is:	0.31

The following table reflects the continuity of warrants for the years presented:

Warrant activity	December 31, 2024	Weighted Average Exercise price	December 31, 2023	Weighted Average Exercise price
Balance – beginning	6,248,762	$2.98	2,839,120	$4.70
Issued on private placements	-	-	3,823,917	$2.50
Issued to brokers	98,213	$0.65	177,583	$1.50
Expired	(2,247,262)	$3.90	(591,858)	$7.70
Balance – ending	**4,099,713**	**$2.41**	6,248,762	$2.98

12) Capital management

The Company's capital structure consists of all components of shareholders' equity in the amount of $14,108,416 (2023: $17,259,322). The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Expressed in Canadian Dollars

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13) Related party transactions

Related parties are comprised of the shareholders and key management personnel of the Company. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. The Company has determined that its key management personnel are the directors and senior management. Compensation paid or accrued to key management personnel for the years ended December 31, 2024, and 2023 is summarized as follows:

Name and principal position	Year	Remuneration or fees [1]	Share based compensation [1]	Included in accounts payable [1]
Mathew Wilson, CEO - management fees[2]	**2024**	**$280,000**	**$0**	**-**
	2023	230,000	176,609	$1,964
Dennis Logan, CFO - management fees[2]	**2024**	**$123,000**	**$0**	**-**
	2023	108,000	57,394	-
Jeremy Niemi, VP Exploration [2,3]	**2024**	**$195,000**	**$0**	**-**
	2023	180,000	176,609	-
Mark Goodman, Director - director fees	**2024**	**$14,000**	**$0**	**$15,000**
	2023	-	-	-
Richard Patricio, Director - director fees	**2024**	**$10,000**	**$0**	**$1,000**
	2023	24,000	57,394	-
Stephen Kieth, Director - director fees	**2024**	**$24,000**	**$0**	**-**
	2023	24,000	21,926	-

[1] Amounts disclosed were paid or accrued to the related party during the year ended December 31, 2024 and 2023.
[2] Amounts paid to the individuals indirectly through companies controlled by the related party.
[3] Amounts paid have been capitalized to Property rights, exploration and evaluation assets.

In addition to the compensation listed above, Mathew Wilson participated in the October 23, 2024 FT Financing (Note 11) and acquired 38,500 FT shares for aggregate gross proceeds of $25,025. Richard Patricio also participated in the October 23, 2024 FT Financing (Note 11) and acquired 77,000 FT shares for aggregate gross proceeds of $50,050.

14) Income taxes

The following table reconciles the expected income taxes at the Canadian statutory income tax rates to the amounts recognized in the consolidated statement of financial position as at:

		2024		2023
Earnings (loss) for the year	$	(10,718,952)	$	(1,564,255)
Expected income tax (recovery)	$	(2,894,117)	$	(422,349)
Change in statutory, foreign tax, foreign exchange rates and other		-		-
Non-deductible expenditures		(116,562)		97,398
Impact of flow through share		425,773		759,569
Share issuance cost		(21,790)		(163,895)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		(2,835,304)		1,634,437
Change in unrecognized deductible temporary differences		5,442,000		(1,905,160)
Total income tax expense (recovery)	**$**	**-**	**$**	**-**
Current income tax	**$**	**-**	**$**	**-**
Deferred tax recovery	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

		2024		2023
Deferred Tax Assets (liabilities)				
Property rights, evaluation and exploration assets	$	303,000	$	(2,107,000)
Non-capital losses		7,151,000		4,036,000
Allowable capital losses		1,663,000		1,663,000
Share issuance costs		185,000		268,000
Net deferred tax asset	**$**	**9,302,000**	**$**	**3,860,000**

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The Company has non-capital losses of approximately $26,374,196 which may be carried forward to reduce taxable income in future years. The non-capital losses expire as follows:

	Non-capital loss	Year of Expiry
$	6,824,098	2034
	881,630	2036
	973,684	2037
	255,884	2038
	435,129	2039
	1,184,538	2040
	1,332,368	2041
	1,485,912	2042
	1,462,825	2043
	11,538,128	2044
$	26,374,196	

15) Government Grants

During the year ended December 31, 2024, the Company applied for, and received, a grant from the Government of Newfoundland as compensation for eligible exploration expenditures that were incurred on the Adeline project during the calendar year ended December 31, 2023. The amount of the grant was $225,000 and has been recognized as other income.

16) Segmented operations

The Company primarily operates in one reportable operating segment in one geographic region, being the acquisition and exploration of exploration and evaluation assets in Canada.

17) Subsequent events

On January 24, 2025, 200,000 stock options with a strike price of $2.10 per common share expired unexercised. The carrying value of the expired stock options remains in the share-based payment reserve section of Shareholder's equity.

On February 7, 2025, the Company received $200,000 in a grant from the Government of Ontario as part of the 2024 Ontario Junior Exploration Program ("**OJEP**"**).** The grant was for exploration work that was completed on the Copper Road Project during the year ended December 31, 2024.

On February 18, 2025, the Company announced that it filed articles of amendment to consolidate its issued and outstanding common shares (each, a "Common Share") on the basis of ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "Consolidation"). The Consolidation was approved by shareholders of the Company at its annual and special meeting held on July 10, 2024. The Common Shares commenced trading on the TSX Venture Exchange on a consolidated basis on February 24, 2025. Following the Consolidation, the Company has approximately 24,838,779 Common Shares outstanding. No fractional Common Shares were issued pursuant to the Consolidation and any fractional Common Shares that would have otherwise been issued have been rounded down to the nearest whole Common Share. All share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

On March 25, 2025, the Company announced it closed a non-brokered private placement of 6,082,000 units (each, a "**Unit**") at a price of $0.25 per Unit for aggregate gross proceeds of $1,520,500. Each Unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant shall entitle the holder thereof to acquire one common share in the capital of the company at a price of $0.40 per common share for a period of two (2) years form the closing of the private placement. In connection with the private placement, the Company paid certain eligible persons ("Finders") a cash commission of $8,250 equal to 6% of the gross proceeds of the private placement introduced by the finders and issued 33,000 broker warrants. Equal to 6% of the number of units issued pursuant to the private placement that were introduced by the Finders. Each Broker

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Warrant entitles the holder thereof to acquire one Common Share at a price of $0.40 per Common Share in the capital of the Company for a period of two (2) years from the closing of the private placement.

On March 26, 2025, the Company announces that it has granted an aggregate of 2,430,000 stock options to purchase common shares in the capital of the Company exercisable at a price of $0.40 per common share for a period of two (2) years to certain directors, officers, employees and consultants of the Company. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.