METALLIS RESOURCES INC.

Annual Consolidated Financial Statements

December 31, 2024 and 2023

(Expressed in Canadian Dollars)

METALLIS RESOURCES INC.

Index to Annual Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Metallis Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Metallis Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these 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.

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $1,041,144 during the year ended December 31, 2024 and, as of that date, the Company's total deficit was $29,088,236. As stated in Note 1, these events and conditions indicate 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 of the current year. 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year 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 Dylan Connelly.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

April 22, 2025

METALLIS RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2024	*December 31, 2023*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 518,301**	$ 35,817
Receivables *(Note 4)*	**9,891**	5,840
Deposits and prepaid expenses *(Note 5)*	**6,040**	6,040
Due from related party *(Note 11)*	**3,126**	3,928
Total current assets	**537,358**	51,625
Equipment (*Note 6*)	**1,495**	2,371
Right-of-use assets *(Note 6)*	**8,872**	26,628
Net investment in sublease *(Note 8)*	**10,248**	28,946
Total assets	**$ 557,973**	$ 109,570
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 8)*	**$ 32,216**	$ 48,360
Lease liability *(Note 8)*	**20,496**	37,396
Due to related parties *(Note 11)*	**38,575**	89,250
Total current liabilities	**91,287**	175,006
Lease liability *(Note 8)*	**-**	20,497
Total liabilities	**91,287**	195,503
EQUITY(DEFICIENCY)		
Share capital *(Note 10)*	**24,911,304**	23,533,854
Equity reserves	**4,643,618**	4,427,305
Accumulated deficit	**(29,088,236)**	(28,047,092)
Total equity (deficiency)	**466,686**	(85,933)
Total liabilities and equity(deficiency)	**$ 557,973**	$ 109,570

Nature and Continuance of Operations and Going Concern *(Note 1)*
Events after the reporting period *(Note 17)*

Approved and authorized on behalf of the Board on April 22, 2025

"Fiore Aliperti" Director "*Michael Sikich"* Director

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

METALLIS RESOURCES INC.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	*2023*
Operating Expenses:		
Communications	**$ 13,925**	$ 5,095
Consulting fees *(Note 11)*	**342,500**	323,000
Depreciation *(Note 6)*	**18,632**	19,364
Exploration and evaluation expenses *(Note 7)*	**299,132**	123,118
Investor relations	**-**	15,000
Office and general	**36,084**	54,632
Professional fees	**66,556**	54,779
Regulatory and transfer agent fees	**52,506**	44,815
Rent	**15,494**	15,617
Share-based compensation *(Notes 10,11)*	**192,399**	8,689
Travel	**4,102**	4,298
Total operating expenses	**(1,041,330)**	(668,407)
Amortization of discount *(Note 8)*	**(3,779)**	(7,279)
Finance income on sublease *(Note 8)*	**1,889**	3,640
Foreign exchange loss	**(1,852)**	-
Interest income	**12,428**	11,215
Interest on loan *(Note 9)*	**(8,500)**	-
Loss and comprehensive loss for the year	**$ (1,041,144)**	$ (660,831)
Basic and diluted loss per common share	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding- Basic and Diluted	**67,786,154**	60,544,312

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

METALLIS RESOURCES INC.

Consolidated Statements of Changes in Equity (Deficiency)

For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	*Amount*	*Equity Reserves*	*Deficit*	*Total*
Balance at December 31, 2022 *(Restated- Note 3)*	**60,544,312**	**$ 23,533,854**	**$ 4,418,616**	**$ (27,386,261)**	**$ 566,209**
Share-based compensation	-	-	8,689	-	8,689
Loss for the year	-	-	-	(660,831)	(660,831)
Balance at December 31, 2023	**60,544,312**	**$ 23,533,854**	**$ 4,427,305**	**$ (28,047,092)**	**$ (85,933)**
Proceeds from private placements	14,760,691	1,404,695	-	-	1,404,695
Share issuance costs	-	(27,245)	7,257	-	(19,988)
Warrants issued for property	-	-	16,657	-	16,657
Share-based compensation	-	-	192,399	-	192,399
Loss for the year	-	-	-	(1,041,144)	(1,041,144)
Balance at December 31, 2024	**75,305,003**	**$ 24,911,304**	**$ 4,643,618**	**$ (29,088,236)**	**$ 466,686**

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

METALLIS RESOURCES INC.

Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	*2023*
Cash flows provided by (used in) operating activities		
Loss for the year	**$ (1,041,144)**	$ (660,831)
Items not affecting operating cash:		
Amortization of discount	**3,779**	7,279
Depreciation	**18,632**	19,364
Finance costs	**8,500**	
Interest income	**(12,428)**	(11,215)
Finance income	**(1,889)**	(3,640)
Share-based compensation	**192,399**	8,689
Warrants for property- expensed	**16,657**	-
Changes in non-cash working capital items:		
Receivables	**(4,051)**	50,130
Deposits and prepaid expenses	**-**	38,858
Accounts payable and accrued liabilities	**(16,144)**	(117,811)
Due from (to) related parties (net)	**(49,873)**	47,659
Net cash used in operating activities	**(885,562)**	(621,518)
Cash flows provided by (used in) investing activities		
Interest received	**12,428**	11,215
Proceeds from investment in sublease	**20,587**	20,250
Amounts received from related parties	**-**	87,848
Net cash provided by investing activities	**33,015**	119,313
Cash flows provided by (used in) financing activities		
Proceeds from shares issued	**1,404,695**	-
Share issuance costs	**(19,988)**	-
Proceeds from loan	**100,000**	-
Loan and interest repaid	**(108,500)**	-
Lease payments	**(41,176)**	(40,500)
Net cash provided by (used in) financing activities	**1,335,031**	(40,500)
Increase (Decrease) in cash and cash equivalents during the year	**482,484**	(542,705)
Cash and cash equivalents, beginning of year	**35,817**	578,522
Cash and cash equivalents, end of year	**$ 518,301**	$ 35,817

Supplemental Disclosure with Respect to Cash Flows *(Note 12)*

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Metallis Resources Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 19, 2007. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "MTS" and on the OTCQB Venture Market under the symbol "MTLFF". The Company's registered and head office is located at Suite #604 - 850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1, and its website is at www.metallisresources.com.

The Company and its wholly owned subsidiary are engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

The Company operates in a single jurisdiction in the single business activity of exploration and evaluation of mineral properties in the United States and Canada.

These consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Going Concern of Operations

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The Company incurred a loss of $1,041,144 during the year ended December 31, 2024 and as of that date the Company's total deficit was $29,088,236. The ability of the Company to continue as a going concern depends upon i) its ability to raise adequate financing on reasonable terms from lenders, shareholders and other investors and ii) its ability to develop a mine and/or commence commercially profitable operations. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These annual consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has primarily raised private placement funds from equity investors to provide for its exploration and working capital needs. During 2024, a total of $1.4 million was raised through two private placements. To the extent future financing is not available, future working capital commitments beyond 2025 may not be satisfied and future exploration programs may face curtailment and could result in a loss of property ownership or earning opportunities for the Company. In addition, should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position.

2. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

Basis of compliance and presentation

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

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value. In addition, these annual consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its one wholly-owned subsidiary controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated on consolidation. All amounts are expressed in Canadian dollars, being the functional currency of the parent company and the subsidiary, unless denominated otherwise. The subsidiary was incorporated on February 14, 2024:

Name	Place of incorporation	Ownership	Principal activity
Metallis Resources USA Inc.	Delaware, USA	100%	Exploration company

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are initially recorded in the Company's functional currency using the exchange rate at the time of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated using the exchange rate at the end of each reporting period. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents consists of short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at December 31, 2024 and 2023, the Company had no cash equivalents.

2. MATERIAL ACCOUNTING POLICIES (continued)

Receivables

Receivables are recorded at face value less any provisions for uncollectible accounts. For the years ended December 31, 2024 and 2023, the Company did not record any provisions for uncollectable accounts.

Financial instruments:

IFRS 9, Financial Instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

The Company classifies its financial assets and financial liabilities as those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit or loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes attributable to changes in credit risk for liabilities designated at fair value through profit or loss are recorded in other comprehensive income and any fair value change in excess of the amount attributable to changes in credit risk is recognized in profit or loss.

The Company’s financial instruments consist of cash and cash equivalents, receivables, deposits, net investment in sublease, accounts payable and accrued liabilities, lease liability and due to/from related parties. All financial instruments held by the Company are measured at amortized cost. Nevertheless, the fair values of these financial instruments approximate their carrying value due to their short-term maturities.

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

Impairment of financial assets

The Company uses a three-stage expected credit loss model for calculating impairment for financial assets. Expected credit losses are recognized at inception and updated for the amount of expected credit closes recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

2. MATERIAL ACCOUNTING POLICIES (continued)

Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment charges. Equipment is depreciated on a declining balance basis over the estimated useful lives of the individual assets. The Company provides for depreciation computed under the declining balance method for computers and software at 55% per annum, and furniture and fixtures at 20% per annum. Depreciation for right-of-use ("ROU") assets is computed on a straight-line basis over the terms of the underlying leases.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. 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 amortization, if no impairment loss had been recognized.

The cost of replacing part of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater of fair value less costs to sell and value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures

All costs related to the acquisition, exploration and evaluation of mineral properties are charged to profit or loss as incurred. This includes staged option payments, made pursuant to an agreement to acquire an interest in a property. Any warrants issued as compensation for acquiring exploration and evaluation assets are valued following the Black Scholes pricing model, and with the amount recognized in exploration and evaluation expenditures.

The Company may, but to date has not, occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is recorded as recoveries at the time of receipt and credited against expenditures incurred.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, and the Company has decided to proceed with development, all subsequent payments are capitalized as Mines under Development, whether the cost is an acquisition related option payment, an exploration cost or a development charge. Each period end thereafter, the Company will assess these assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. If a project is deemed to no longer have commercially viable prospects to the Company, the capitalized costs in respect of that project are deemed to be impaired. As a result, those costs, in excess of estimated recoveries, are written off to profit or loss.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

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

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the tax deductibility of qualifying resource expenditures is transferred to investors. On issuance, the Company bifurcates the flow-through share into i) 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 ii) share capital. Upon expenditures being incurred, 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 on settlement of flow-through share premium liability and the related deferred tax is recognized as a tax provision.

2. MATERIAL ACCOUNTING POLICIES (continued)

Flow-through shares (continued)

Proceeds received from the issuance of flow-through shares or units are to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to 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 an expense until paid.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. The Company reclaims all disturbed areas in the field as drill holes are completed.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. As at December 31, 2024 and 2023, the Company had no material rehabilitation obligations.

Share-based payments

The Company has a Security Compensation Plan which includes a Stock Option Plan (“SOP”) and a Restricted Share Unit (“RSU”) Plan. The Company occasionally grants stock options to directors, officers, employees and consultants to purchase common shares of the Company. The fair value of the options are recognized as an operating expense with a corresponding increase in equity (deficiency) over the vesting period on a graded basis. The fair value of stock options are measured on the date of grant using the Black-Scholes option pricing model, considering the terms and conditions upon which the options were granted. Consideration paid for the shares on the exercise of stock options is credited to share capital and the related share-based payments originally recorded as equity reserves are also transferred to share capital at the time of exercise. RSU’s are recognized as share-based compensation expense at the fair value on the day of issuance corresponding to the portion of the RSU which vested.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Warrants issued for compensation of services or as part of property consideration are valued using the Black-Scholes option pricing model.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

2. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding is 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 proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In periods where a loss is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

Leases

At inception, the Company assesses whether a contract is or contains a lease. The assessment involves the exercise of judgment about what constitutes a lease, whether the lease depends on a specified asset, whether the Company obtains substantially all the economic benefits for the use of that asset during the lease term, whether the Company has the right to direct the use of the asset, and the likelihood of exercising a lease extension option, if applicable. Lease payments may include fixed and variable components, but variable payments are generally excluded.

The Company recognized a right-of-use ("ROU") asset and a lease liability at the commencement of the lease. The lease liability recognized upon lease inception represents the present value of the net remaining lease payments, discounted at an interest rate otherwise required if the asset was acquired through a financing arrangement, using the effective interest method. The ROU assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU assets are subject to testing for impairment if there is an indicator for impairment.

When a company subleases a ROU asset, it classifies the sublease as an operating lease if the head lease is a short-term lease; otherwise, the sublease is classified as a finance lease. The lessor derecognizes the ROU asset pertaining to the head lease that it transfers to the sublessee at the sublease commencement date but continues to account for the original lease liability. The sublessor recognizes a net investment in sublease and evaluates it for impairment and may use the discount rate in the head lease to measure the net investment in sublease. The Company recognizes finance income on the net investment in the lease, and also records income relating to variable lease payments not included in the measurement of the net investment in the lease.

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of significant judgements and estimates

In preparing these annual consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The Company may hold direct or indirect interests in exploration and evaluation assets. The Company takes steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

b) The Company uses the Black-Scholes valuation model to determine the fair value of stock option grants and certain warrants issued under private placements or as a component of compensation related to the acquisition of mineral property interests. The inputs used in the model require estimates of the fair value of the options or warrants, their expected life, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. These estimates impact share-based compensation expense and/or exploration and evaluation expenditures in the profit or loss and share capital and shareholder's equity on the consolidated statements of financial position;

c) The values of right-of-use assets and lease liabilities require judgements to determine the lease term, the likelihood of an extension option being exercised and the incremental borrowing rate. Such judgements, estimates and assumptions affect the present value of the lease liabilities, the value of the right-of-use assets, the value of the net investment in sublease and the amounts recognized in profit or loss, including depreciation, rent expense, finance expense and finance income;

d) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of significant judgements and estimates (continued)

e) The assumption that the Company is a going concern and will continue operating for the foreseeable future, being one year, is a judgment.

New accounting standards

The following amendment is in effect for annual reporting periods beginning on or after January 1, 2024:

Presentation of financial statements:

An amendment to IAS 1 Presentation of Financial Statements was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2024. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least twelve months after the reporting period.

This amendment did not have a material impact on the Company's consolidated financial statements.

Future accounting standards

IFRS 18, "Presentation and Disclosure in Financial Statements", effective for annual reporting periods beginning on or after January 1, 2027, updates the requirements for presenting and disclosing information in financial statements, primarily focusing on the statement of profit or loss. It introduces three new categories for income and expense items: operating, financing, and investing, along with specified subtotals like "Operating profit or loss". IFRS 18 also enhances disaggregation guidance and requires companies to disclose management-defined performance measures. Management is currently assessing the effect of this new standard on the Company's consolidated financial statements.

3. CHANGE IN ACCOUNTING POLICY

During the year ended December 31, 2023, the Company changed its accounting policy from capitalizing exploration and evaluation costs to expensing these costs in the period incurred. The cost of acquiring interests in mineral properties is expensed as incurred, until such time as commercial feasibility has been established and the Company has decided to proceed with development. After that time, all subsequent development expenses and remaining acquisition payments are capitalized as Mines under development.

With respect to the current financial statements, the policy change, applied on a retrospective basis, affected the comparative figures' opening balances as follows:

As at December 31, 2022:	Previously Reported	Adjustment	Revised Balance
Equity(Deficiency)			
Deficit	$ (13,205,334)	$ (14,180,927)	$ (27,386,261)
Total equity	14,747,136	(14,180,927)	566,209

(Expressed in Canadian Dollars)

4. RECEIVABLES

	December 31, 2024	December 31, 2023
GST/ HST recoverable taxes	**$ 9,309**	$ 5,840
Other receivables	**582**	-
Total receivables	**$ 9,891**	$ 5,840

5. DEPOSITS AND PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	December 31, 2024	December 31, 2023
Rental deposit	$ **6,040**	$ 6,040

6. EQUIPMENT AND RIGHT-OF-USE ASSETS

Equipment:	*Furniture & fixtures*	*Computers and software*	*Total*
Cost:			
Balance, December 31, 2022, 2023 and 2024	**$ 3,692**	**$ 23,869**	**$ 27,561**
Accumulated depreciation:			
Balance, December 31, 2022	$ 2,036	$ 21,546	$ 23,582
Additions	332	1,276	1,608
Balance, December 31, 2023	2,368	22,822	25,190
Additions	265	611	876
Balance, December 31, 2024	**$ 2,633**	**$ 23,433**	**$ 26,066**
Net Book Value:			
December 31, 2024	**$ 1,059**	**$ 436**	**$ 1,495**
December 31, 2023	$ 1,324	$ 1,047	$ 2,371

(Expressed in Canadian Dollars)

6. EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)

Right-of-Use assets:

Cost:	
Balance, December 31, 2022, 2023 and 2024	**$ 53,262**
Accumulated depreciation:	
Balance, December 31, 2022	$ 8,878
Additions	17,756
Balance, December 31, 2023	26,634
Additions	17,756
Balance, December 31, 2024	**$ 44,390**
Net Book Value:	
December 31, 2024	**$ 8,872**
December 31, 2023	$ 26,628

7. EXPLORATION AND EVALUATION EXPENSES

Greyhound Property - Custer County, Idaho, USA

On February 26, 2024, the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in the Greyhound Property in central Idaho, a group of 12 patented claims, 3 patented millsites, 1 patent pending claim and 8 patent pending millsites, all contiguous with each other, which includes the past producing Greyhound and Bulldog silver/gold mines.

The Agreement requires staged payments of US$670,000 beginning on February 29, 2024 (the "Effective Date"), and exploration expenditures of US$10 million, both over a ten-year period (the "Option Period"). At any time during the Option Period, the Company may exercise the option to acquire a 100% interest in the Property by paying US$7.5 million, plus the balance remaining of the US$670,000 at the time of exercise. If the option is not exercised within the Option Period, the agreement shall terminate. If the option is exercised, there is no further requirement to incur exploration in the event that less than US$10 million has been incurred at the time of exercise. In addition, the Company issued a share purchase warrant to the Optionor for the purchase of up to 1,000,000 common shares of the Company at a price of CAD $0.34 per share for a three-year period.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENSES (continued)

Greyhound Property - Custer County, Idaho, USA (continued)

The following table specifies the above noted obligations:

Date	**Option payment (USD)**	**Minimum exploration expenditures (USD)**
On the Effective Date	$20,000 (paid)	-
1st anniversary	$35,000 (paid in February 2025)	-
2nd anniversary	$55,000	$90,000
3rd anniversary	$75,000	$200,000
4th anniversary	$85,000	$400,000
5th anniversary	$100,000	$900,000
6th anniversary	$60,000	$1,610,000
7th anniversary	$70,000	$1,700,000
8th anniversary	$80,000	$1,700,000
9th anniversary	$90,000	$1,700,000
10th anniversary	-	$1,700,000
Total	**$670,000**	**$10,000,000**

The Optionor retains a 2% Net Smelter Returns Royalty, which may be reduced to 1% by the payment of US$5 million during the term of the Agreement.

Subsequent to the signing of the Agreement, the Company staked an additional 81 mining claims surrounding Greyhound. The following table details the Greyhound acquisition costs incurred by the Company during the year ended December 31, 2024, and which are recognized under exploration and evaluation expenses:

Greyhound acquisition costs:	
Option payment (US$20,000)	$ 27,100
Staking fees	31,073
Helicopter	15,262
Fair value of 1,000,000 warrants issued to vendor	16,657
	$ 90,092

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENSES (continued)

Kirkham Property – Golden Triangle, Skeena Mining Division, British Columbia, Canada

The Kirkham Property (the "Property") is comprised of 30 mineral claims situated in the "Golden Triangle" region of north-western British Columbia, Canada totalling 10,610 ha. The Property was assembled by the Company through a series of transactions between 2013 and 2015 including staking, re-staking and acquisitions from third parties. A portion of the mineral claims are subject to third-party Net Smelter Return ("NSR") royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for $500,000.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. To the best of its knowledge, the Company's title to all of its mineral claims and properties are in good standing.

The following table details the Company's total exploration and evaluation expenditures incurred during the years ended December 31, 2024 and 2023:

	2024			2023
	Kirkham	Greyhound	**Total**	Total- (Kirkham)
Acquisition costs	$ -	$ 90,092	**$ 90,092**	$ -
Accommodations and camp	-	30,867	**30,867**	-
Assays	395	26,764	**27,159**	2,275
Field supplies	-	14,855	**14,855**	-
Geological and geophysical	40,062	67,402	**107,464**	105,854
Licenses, claim fees and permits	17,123	22,448	**39,571**	44,041
Recovery of expenses- tax credit	(10,876)	-	**(10,876)**	(29,052)
	$ 46,704	$ 252,428	**$ 299,132**	$ 123,118

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities for the Company are comprised as follows:

	December 31, 2024	December 31, 2023
Accounts payable	**$ 2,216**	$ 18,360
Accrued liabilities	**30,000**	30,000
	$ 32,216	$ 48,360

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Lease liability:

The Company entered into a three-year premises lease on July 1, 2022 following the maturity on June 30, 2022 of its prior 3-year lease agreement. The office location did not change. The monthly fixed lease costs remain the same as the prior lease for the first two years at $3,375 per month, rising to $3,488 per month for the third year. The fair value estimate of the new lease and initial lease liability was $106,524 using an incremental borrowing rate of 10%. The following schedule shows recent changes in lease liabilities:

	Lease term: 7/1/22 – 6/30/25
Balance, December 31, 2022	$ 91,114
Lease payments	(40,500)
Accretion of lease liability discount	7,279
Balance, December 31, 2023	57,893
Lease payments	(41,176)
Accretion of lease liability discount	3,779
Balance, December 31, 2024	**$ 20,496**
Lease liability allocation:	
Short-term portion of lease liability	**$ 20,496**
Long-term portion of lease liability	**-**
Balance, December 31, 2024	**$ 20,496**

Lease payments for next five years: (including variable lease costs estimated by landlord)

Years ended December 31,	2025	$ 36,889
	2026-2029	-
	Total	$ 36,889

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Net investment in sublease:

On July 1, 2022 the Company entered into a 3-year sublease agreement with related party Etruscus Resources Corp. ("ETR") for ½ of its premises at a per square foot cost equal to the head lease. ETR pays fixed lease costs of $1,688 per month for the first two years and $1,744 per month for the third year. At commencement of the sublease, the Company recognized a net investment in sublease of $53,262, and derecognized ROU assets by the same amount. The reconciliation of the Company's net investment in sublease is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Balance, beginning of year	**$ 28,946**	$ 45,556
Finance income	**1,889**	3,640
Lease payments received	**(20,587)**	(20,250)
Balance, end of year	**$ 10,248**	$ 28,946

9. LOAN PAYABLE

In February 2024, the Company borrowed $100,000 from a third party as an unsecured loan bearing interest at 12% per annum, repayable at any time during a one-year period from the date of the loan. There were no shares or warrants issued in connection with the loan. The loan and accrued interest of $8,500 were repaid in October 2024.

10. SHARE CAPITAL

Authorized: Unlimited common shares, without par value
Issued: 75,305,003 common shares (December 31, 2023 - 60,544,312 common shares)

Transactions in 2024:

On April 17, 2024, the Company completed a non-brokered private placement financing of $514,195 consisting of 7,910,691 common shares at a price of $0.065 per share. Issuance costs consisted of filings fees of $3,521. No finders' fees were incurred.

On October 11, 2024, the Company completed a non-brokered private placement financing of $890,500 consisting of 6,850,000 units a price of $0.13 per unit. Each unit consists of one common share and one non-transferrable share-purchase warrant exercisable at $0.18 per share for 3 years. Total issuance costs of $23,724 were incurred, consisting of a finder's fee of $9,100, filing fees of $7,367 and 70,000 warrants that were issued to the registered finder were valued at $7,257 using the Black Scholes option model. The finder's warrants are also exercisable at $0.18 per share for a three-year period.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

The Company had no share capital transactions during the year ended December 31, 2023.

Stock options:

At the Company's Annual and Special Meeting ("ASM") on November 21, 2024, the shareholders approved the Company's Amended and Restated 2024 Security-Based Compensation Plan (the "Plan"). Under the Plan, a Stock Option Plan ("SOP") authorizes the Board of Directors to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option shall not be less than the discounted market price as calculated and defined in the policies of the TSXV. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant. However, stock options granted to employees or consultants in respect of investor relations activities follow the vesting provisions of the TSX-V, which allow for vesting of options as to no more than 25% of the grant vesting each three months, measured from the date of grant. The Plan also includes

Share-based compensation of $192,399 was recognized in 2024 upon the grant of 1,750,000 stock options exercisable at $0.15 per share for a five year period, which vested upon grant. The following weighted average parameters were used in the Black-Scholes option model to determine the fair value of the option grants:

	2024	2023
Risk-free interest rate	3.66%	3.29%
Expected life	5 years	5 years
Annualized volatility	108%	97.1%
Forfeiture rate	0%	0%
Dividends	0%	0%
Weighted average fair value of options	$0.11	$0.15

In 2023, share-based compensation of $8,689 was recognized in respect of investor relations stock options originally granted in 2022, which completed vesting in 2023. No stock options were granted in 2023 and no outstanding stock options were exercised during 2023.

As at December 31, 2024, the following incentive stock options are outstanding and exercisable:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price	Weighted remaining contractual life (years)
October 6, 2025	350,000	350,000	0.40	0.76
April 12, 2026	450,000	450,000	0.50	1.28
September 27, 2026	1,800,000	1,800,000	0.39	1.74
August 31, 2027	1,650,000	1,650,000	0.20	2.67
May 14, 2029	1,750,000	1,750,000	0.15	4.37
Total outstanding options	6,000,000	6,000,000		2.67

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Stock options: (continued)

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2022	5,545,000	$ 0.50
Options expired	(1,045,000)	1.24
Options terminated	(250,000)	0.28
Balance, December 31, 2023	4,250,000	$ 0.33
Options granted	1,750,000	0.15
Balance, December 31, 2024	6,000,000	$ 0.28

Restricted Share Units:

The Plan also includes a Restricted Share Unit Plan ("RSU Plan") section under which the Board may grant RSUs to directors, officers and employees. RSUs are subject to vesting requirements of up to three years, but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation though an equity plan without making a stock option exercise payment. As at December 31, 2024 and 2023, no RSU's had been granted.

The total grants from the Plan and the RSU Plan together are limited to 10% of the outstanding common shares of the Company's stock as calculated on the date of grant, with the number of outstanding RSU's not to exceed 1,500,000.

Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2022	15,640,371	$ 0.57
Warrants expired	(11,788,154)	0.65
Balance at December 31, 2023	3,852,217	0.32
Warrants issued	7,920,000	0.20
Balance at December 31, 2024	11,772,217	$ 0.24

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

Warrants: (continued)

As at December 31, 2024, the following warrants are outstanding:

Expiry Date	Number of Warrants	Exercise Price ($)	Weighted average remaining contractual life (years)
June 10, 2025	663,750	0.30	0.44
June 10, 2025	2,640,750	0.33	0.44
June 23, 2025	462,500	0.30	0.48
June 23, 2025	85,217	0.33	0.48
February 26, 2027	1,000,000	0.34	2.16
October 11, 2027	6,920,000	0.18	2.78
Total	11,772,217		1.96

11. RELATED PARTY TRANSACTIONS

The following related parties, for the years presented, include directors and key management personnel, being officers and directors of the Company, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer of the Company, provides consulting services to the Company;
b) Lever Capital Corp., a company owned by the Company's Chief Financial Officer, provides consulting services to the Company;
c) D. G. Dupre and Associates Inc., is a company that is controlled by the Vice-President of Exploration of the Company which provides the Company with geological consulting services, the amounts of which are expensed under exploration and evaluation costs; and
d) Etruscus Resources Corp. ("ETR"), a public company related through two common directors and a common officer, subleases office space from the Company, shares certain administrative expenses resulting in occasional related party receivables or payables at the end of each period.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (continued)

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the year ended December 31, 2024	Transactions for the year ended December 31, 2023	**Balance payable as at December 31, 2024**	Balance payable as at December 31, 2023
Avanti Consulting Inc.	**(a)**	**$ 144,000**	$ 144,000	**$ 18,900**	$ 40,950
Lever Capital Corp.	**(b)**	**84,000**	84,000	**11,025**	22,050
D.G. Dupre and Associates Inc.	**(c)**	**60,000**	53,750	**8,650**	26,250
Total		**$ 288,000**	$ 281,750	**$ 38,575**	**$ 89,250**

During the year ended December 31, 2024, the Company entered into transactions with ETR as follows:

	Due from ETR, December 31, 2023	Additions	Amounts received	**Due from ETR, December 31, 2024**
Rent	$ 3,182	$ 38,100	$ 41,282	**$ -**
Office expenses, net	746	6,328	3,948	**3,126**
Total	$ 3,928	$ 44,428	$ 45,230	**$ 3,126**

The aggregate value of share-based compensation during the year attributable to directors and officers is as follows:

	2024	2023
Share-based compensation to directors and officers	**$ 115,439**	$ -

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the year ended December 31, 2024 were as follows:

a) The Company issued 1,000,000 share purchase warrants to the vendor of the Greyhound property, exercisable at $0.34 per share for three years. The fair value under the Black Scholes model was $16,657, recognized as an acquisition cost under exploration and evaluation expenses; and

b) Share issuance costs for the two private placements completed in 2024 totalled $27,245 of which $7,257 was the fair value of a finder's warrant.

The Company had no significant non-cash investing and financing transactions during the year ended December 31, 2023.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, net investment in sublease, accounts payable and accrued liabilities, lease liability and due from/to related parties. All financial instruments held by the Company are measured at amortized cost. Nevertheless, the fair values of these financial instruments approximate their carrying value due to their short-term maturities.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

The three levels of the fair value hierarchy are:

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

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

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents, receivables and net investment in sublease. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables primarily consist of recoverable Canadian sales and payroll taxes, Canadian mineral exploration tax credits and accrued interest, for which management assesses the collectability of these amounts to be assured.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings, and to a lesser extent non-core asset sales, for its capital requirements. As at December 31, 2024, the Company had working capital of $446,071. Should the Company decide to drill on any of its properties in 2025, additional financing will be required.

The Company will continue to depend upon equity capital as required and may also enter into convertible debentures, earn-in arrangements, joint ventures or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk (continued)

The following are the contractual maturities of financial liabilities as at December 31, 2024:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	$ 32,216	$ 32,216	$ 32,216	$ -	$ -
Lease liabilities	20,496	20,496	20,496	-	-
Due to related parties	38,575	38,575	38,575	-	-
Total	$ 91,287	$ 91,287	$ 91,287	$ -	$ -

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt other than a lease liability and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company considers it is not subject to material risks should interest rates rise further.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company’s subsidiary is denominated in US dollars with most transactions of the subsidiary being US dollars, and the Company is therefore subject to foreign exchange risk. A 5% change in foreign exchange would have an impact on profit and loss of approximately +/- $12,000. The Company does not hedge its foreign exchange risks and considers its foreign currency risk as manageable and not onerous. Management therefore considers the foreign exchange risk derived from currency conversions to be not material.

14. CAPITAL MANAGEMENT

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and financial obligations as they become due. The Company has no commercial operations or source of revenue, no long-term debt other than a lease liability, and no externally imposed capital requirements. The Company's capital is its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units, for the foreseeable future. The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term.

There were no changes in the Company’s capital management objectives during the year ended December 31, 2024.

The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Years ended December 31, 2024	2023
Loss for the year	$ (1,041,144)	$ (660,831)
Expected income tax (recovery)	$ (281,000)	$ (178,000)
Change in statutory, foreign tax, foreign exchange rates and other	14,000	(9,000)
Permanent difference	52,000	3,000
Impact of flow-through shares	-	-
Share issuance costs	(5,000)	-
Impact of change on accounting policy for exploration and evaluation assets	-	(3,461,000)
Adjustment to prior year provision verses statutory tax returns	27,000	(2,000)
Change in unrecognized deductible temporary differences	193,000	3,647,000
Total income tax expense (recovery)	$ -	$ -

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

	2024	2023
Deferred Tax Assets (Liabilities):		
Exploration and evaluation expenses	$ 1,728,000	$ 1,711,000
Non-capital losses	(1,728,000)	(1,711,000)
Net deferred tax liability	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities that have not been included on the consolidated statements of financial position are as follows:

	2024	2023
Deferred Tax Assets (Liabilities):		
Exploration and evaluation assets	$ 1,728,000	$ 1,656,000
Property and equipment	9,000	3,000
Share issue costs	8,000	8,000
Allowable capital losses	28,000	28,000
Sublease and lease liability	3,000	2,000
Non-capital losses available for future periods	2,917,000	2,803,000
	4,693,000	4,500,000
Unrecognized deferred tax assets	(4,693,000)	(4,500,000)
Net deferred tax assets	$ -	$ -

(Expressed in Canadian Dollars)

15. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2024	Expiry dates	2023	Expiry dates
Temporary Differences:	$		$	
Exploration and evaluation assets	6,449,000	No expiry date	6,131,000	No expiry date
Property and equipment	35,000	No expiry date	13,000	No expiry date
Share issuance costs	29,000	2045 to 2048	31,000	2044 to 2046
Allowable capital losses	102,000	No expiry date	102,000	No expiry date
Sublease and lease liability	10,000	No expiry date	8,000	No expiry date
Non-capital losses available for future periods	10,809,000	2029 to 2044	10,380,000	2029 to 2043

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16. SEGMENTED INFORMATION

The Company currently operates in the geographic segments of Canada and the United States. All of the Company's non-current assets are located in Canada.

The segmented operating loss for the years ended December 31, 2024 and 2023 is as follows:

	Canada		USA		Total	
	Year ended		Year ended		Year ended	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Consulting fees	$ 342,500	$ 323,000		$ -	$ 342,500	$ 323,000
Exploration and evaluation expenses	63,361	123,118	$ 235,771	-	299,132	123,118
Depreciation	18,632	19,364	-	-	18,632	19,364
Share-based compensation	192,399	8,689	-	-	192,399	8,689
Other operating costs	185,130	194,236	3,537	-	188,667	194,236
Loss from operations	$ 802,022	$ 668,407	$ 239,308	$ -	$1,041,330	$ 668,407

17. EVENTS AFTER THE REPORTING PERIOD

The Company paid the anniversary option payment of US$35,000 to the vendor of the Greyhound Property *(Note 7)*.